

## War of words as nursing row worsens

### Ministers accuse unions of looking for trouble

- Relations between the Government and the health unions reached a new low over the nurses' regrading package
- Ministers have emphasized that they will ignore Labour demands for the dispute to be taken to arbitration
- Mr Kenneth Clarke called the unions "bloody minded". The Government was not dealing with "reasonable people"
- Industrial action by nurses angry over their new gradings continued to bring chaos to many hospitals

By Robin Oakley, Political Editor

Relations between the Government and nurses' leaders plummeted at the weekend after ministers accused the National Union of Public Employees and Confederation of Health Service Employees of being bloody-minded and courting trouble on the nurses regrading package.

Union leaders accused Mr Kenneth Clarke, Secretary of State for Health, of hiding from them and of seeking to incite health managers to take legal action against nurses over their work-to-grade protest.

Mr Robin Cook, Labour's health spokesman, called yesterday for Mr Clarke to take the dispute to arbitration.

However, ministers will resist demands for them to do so.

Mr David Mellor, Minister of State for Health, accused nurses involved in the work-to-grade action of "trying to throw a spanner in the works".

He said their stance was the same as work-to-rule actions in the 1960s and 1970s. Where health managers thought that

Ministers believe there is scope for union action where nurses have not been consulted about their work-to-grade.

However, Mr Bickerstaffe said Nupe members were being balloted correctly and at least one health authority had recognized that working-to-rule was only working to contract.

"It is not a case of ministers trying to incite health managers to take legal action," he said.

Mr Hector MacKenzie, general secretary of CoNSE, who insisted his members were also being balloted correctly, called on the other unions to make a joint approach for a meeting with Mr Clarke. His appeal came as industrial action by nurses angry over their new pay gradings continued to cause chaos.

The non-striking Royal College of Nursing was making its own approach for a meeting with Mr Clarke over regrading. An RCN spokeswoman said there would be straight-talking when it meets CoNSE and Nupe tomorrow.

At the West Cumberland Hospital, Whitehaven, Cumbria, an appeal for volunteers was made as catering staff and ancillary workers joined nurses in an all-out strike. Up to 35 nurses, members of CoNSE and Nupe, at the psychiatric unit at Charing Cross Hospital, west London, will begin a three-day strike today.

NuPE said about 500 nurses would work to grade in the Frenchay, Bristol, area on Wednesday.

In Scotland, CoNSE nurses at Woodilee and Stobhill hospitals, Glasgow, voted to join the action.

Ministers have warned that no nurses will have their gradings uprated as a result of industrial action.

The Government has been encouraged by the split caused by the Royal College of Nursing, which has had big numbers of nurses upgraded by working through the agreed appeals system.

Ministers believe traditional public sympathy for nurses is evaporating as more voters realize they have been offered a substantial pay package.

Mr Mellor said: "NuPE and CoNSE represent very few qualified nurses; basically, auxiliary workers in the NHS. They are old-style, heavily politicized unions who time and again in this dispute have been looking for trouble right from the outset."

He accused the unions of going back to "the bad old

union ways of the 1960s and 1970s".

But Mr Rodney Bickerstaffe, general secretary of Nupe, said Mr Mellor and Mr Clarke were interested only in earning points for their political careers.

He said of Mr Clarke: "We can't track him down. We can't find him. We've never met him since he became Secretary of State. It's a question of who's hiding. It's certainly not the union leaders."

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## Long, hard road ahead after winter's first snow

BARRY GREENWOOD



Drivers crossing Snake Pass on the A57 in north Derbyshire yesterday after it was closed for three hours by heavy snow. More is on the way this week.

## Thatcher relents on rights talks

By Robin Oakley and Mohsin Ali

The Prime Minister has softened her all-out opposition to participation in a human rights conference in Moscow in 1991, a project much prized by President Gorbachev.

Originally she wanted nothing to do with it, feeling that even with the reforms pushed through by Mr Gorbachev, she could not sanction such a propaganda coup for a Soviet society which she regards as still woefully short on basic human freedoms.

But after her visit to Washington last week, Mrs Thatcher is now prepared to go along with American willingness to participate, though only on strict preconditions.

The Prime Minister will, however, still advise the Queen against accepting any invitation to visit Moscow that may be extended by Mr Gorbachev on his visit to London next month.

Conscious that the Queen would not have the same freedom to voice criticisms of the Soviet regime and society as she does herself on visiting Moscow, Mrs Thatcher regards it as too soon for such a seal of approval to be accorded to the Soviet programme of reforms.

She wants to keep the royal card in play as a prize to be won by still greater progress on human rights.

Mrs Thatcher's change of attitude on the Moscow human rights conference is conditional on the Soviet leader implementing a series of reforms before 1991 to implement the Helsinki accords.

The conditions drawn up by the Americans include:

- Exit visas for all the Jews wishing to leave the Soviet Union.
- Release of remaining 200 political prisoners.
- Enshrinement in Soviet law of guarantees of human freedom, rather than the

Continued on page 24, col 1

## Water share package to woo small investors

By Our Political Editor

The Government is to implement a novel plan for investors in the water-industry privatization, the most controversial item in the legislative programme to be unveiled in the Queen's Speech tomorrow.

Ministers are keen to bring in as many small investors as possible, and the 95 per cent of households in England and Wales who receive services from the 10 water authorities to be sold will all be able to apply for shares, not only in their own regional authority, but in all the other new water PLCs as well.

The Government will be offering larger investors and institutions a package of shares in all 10 authorities.

Mr Michael Howard, the Minister for Local Government with responsibilities for water and planning who will take the complicated legislation through the Commons, said: "This is a novel idea, which will be convenient for those wishing to make a broader-based investment."

"As soon as shares are traded on the market, these investors will be able to sell or hold the shares separately, or as a package, as they choose."

The Government has not decided yet what to do about marketing shares abroad, but despite alarm expressed in some quarters about the French buying heavily into the British water industry, Mr Howard told a seminar last week: "I see no reason to gasp with xenophobic horror at the interest of French or other overseas investors in other parts of this industry."

The Government has powers under existing law to see that competition is not unduly

mental standards, may lead to further expensive demands on the new water companies.

Against that background, the Government is having to build in safeguards to ensure that would-be investors are not deterred by the prospect of losing their profits in the face of such demands.

Therefore, there will not only be periodic reviews of the operating licences for the new companies, which will set out what their charges may be. A specific mechanism will also be put in place to provide for their charges to be adjusted "where it is essential that new costs are incurred".

The Government's aim is to strike a balance between the requirements for the new water companies to achieve a return on their capital and the need for consumers not to be faced by a rapid escalation in their water charges.

But as *The Times* disclosed last week, Mr Howard is already acknowledging that the costs of achieving new environmental standards will have to be passed on to consumers.

The operating licences for the new privatized companies will set out detailed provisions

Continued on page 24, col 4

## Five killed as the chill bites

By Robin Young

The first widespread snows of winter closed roads in Scotland and the Pennines yesterday, and the cold spell is expected to continue.

Up to an inch of snow fell in Scotland and northern England overnight, and persisted some of the day along the east coast of England. London received its first smattering, but in the Pennines the Snake Pass was blocked and in Scotland the A939 from Cock Bridge to Tomintoul and several minor roads were closed.

At least five people died yesterday in weather-related accidents. Two men from Stamford, Lincolnshire, were killed when their car ran off the snow-covered A1 at Great Ponton near Grantham and hit a tree.

Two people died when their light aircraft crashed into a field by the A41 at Weddington, Buckinghamshire, and caught fire, while 30 miles off Portsmouth a Dutch crewman was drowned, trapped in the hull of a catamaran capsized by rough seas.

Three other crew members were rescued by a helicopter scrambled from Lee-on-Solent, Hampshire.

Forecast, page 24

● In *The Times* this week music-lovers have the chance to win the £1,100, 20-volume *New Grove Dictionary of Music and Musicians* — the most celebrated compendium of musical knowledge — plus five music-filled days in New York. Details: page 20

● 'Tis the season: *The Times*'s two-part guide to Christmas shows and pantomimes around the country begins today on page 22.

● Saturday's £8,000 weekly prize was shared by 11 people (see page 3). The Portfolio Accumulator rises to £12,000. Prices: page 29

## Clash over S&N bid

Freshfields, the solicitor, has attacked the Office of Fair Trading over Elders' £1.6 billion bid for Scottish & Newcastle Breweries.

The OFT says it told Freshfields that Elders, its client, should stop buying S&N shares after the bid was referred to the Monopolies Commission. Freshfields denies this.

Solicitor hits back, page 25



Mr Clarke: "We won't put up with this nonsense." Mr Bickerstaffe: "Ministers inciting health authorities."

## Soldiers hurt in Belfast bomb attack

Eight soldiers were injured in a car bomb explosion at a Belfast army base last night.

The huge blast at the North Howard Street base was heard over much of the city. The area was sealed off and an investigation launched.

All of the injuries were slight and it was understood

that none of the men had been taken to hospital.

Earlier, an Ulster Defence Regiment soldier spotted an IRA booby trap bomb under his car in Dundrum, Co Down.

Fifty people were evacuated from their homes for more than three hours while the

device, containing 2 lbs of Semtex plastic explosive, was defused.

Last week the RUC warned people in Northern Ireland, particularly members of the security forces, to be on their guard against a new wave of IRA booby trap bombs.

New blitz feared, page 6

## President calls in Bhutto and rival

From Anatol Lieven, Lahore

The acting Pakistani President, Mr Ghulam Ishaq Khan, yesterday invited Miss Benazir Bhutto and her main rival, Mr Nawaz Sharif, for talks on forming a government after the weekend's provincial elections weakened Miss Bhutto's case to become the new Prime Minister.

They have also put Pakistan in danger of both a constitutional and an ethnic crisis, particularly in Punjab and Sindh provinces.

Wednesday's poll failed to produce an outright winner and both Miss Bhutto and Mr Sharif claimed the right to form a government. The acting President has to nominate

Unity at risk, page 9

In three out of four provinces, Mrs Bhutto's main rivals, the Islamic Democratic Alliance, emerged ahead of her Pakistan People's Party.

The Justice Minister, Mr Wasim Sajjad, said in a statement that the acting President would see the rivals separately tomorrow "on questions relating to formation of the future government".

On Wednesday Mr Ishaq

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## NEWS ROUNDUP

## Children in Need heads for record

The BBC's Children In Need appeal is expected to exceed last year's record total of £14 million by several million pounds.

Money will continue to flood in to the BBC in the coming weeks as sums raised from sponsored events and collections are paid into banks and building societies.

When the televised event, presented by Terry Wogan, Sue Cook and Joanna Lumley, ended early on Saturday morning after six-and-a-half hours, more than £13 million had already been promised, but organizers are certain that the final figure will be much higher. The appeal remains open until February.

Among this year's more bizarre fund-raising events were a Shredded Wheat eating contest among Guernsey police officers — the winner ate 26 in one hour — and a sponsored vasectomy by Mr Jeremy Blake, a father of two who works for an estate agent in King's Lynn, Norfolk.

## Pencil clue to lost girl

Police have found a pencil case and a pair of scissors belonging to Anna Humphries, aged 15, a few miles from where she disappeared 12 days ago. The pencil case was discovered at the side of the Wem to Horton road in Shropshire and the scissors on the B5476 between Wem and Harmerhill. A warrant has been issued for the arrest of David Evans, who is believed to have gone to France.

## 'Lager lout' profile

Home Office officials are piecing together a profile of the typical "lager lout" who takes part in weekend disturbances in market towns and villages. It will form part of a report being produced for Mr Douglas Hurd, the Home Secretary, to help to shape decisions on how to tackle further outbreaks of rural violence. Home Office researchers are analysing details of disturbances in four towns on Saturday nights earlier this year to try to pin down whether typical offenders are "doctors' sons from Virginia Water" or those with a history of persistent hooliganism.

## England pair beaten

The English team suffered a setback in the sixth round of the world chess Olympics at Salonika in northern Greece, losing by three points to one against USSR. Nigel Short, playing Gary Kasparov, lost in 23 moves, one of his worst defeats. Playing on second board for England, Jon Speelman lost against Anatoly Karpov. John Nunn and Murray Chandler drew their games. Scores after six rounds: USSR 20 points, out of 24 possible; Sweden 17½; and England 15½.

## Hitler debate anger

A Jewish woman whose experiences in Nazi Germany are the subject of a popular television series has declined to join a debate at Trinity College, Dublin, with a right-wing historian who maintains Hitler did not know about the Holocaust. The decision by Mrs Christabel Bielenberg came after prominent Jewish people in Dublin complained about the Philosophical Society debate on Hitler's role in the Holocaust and about the presence of Mr David Irving, the historian.

## Train death inquiry

A murder inquiry was launched yesterday after a British Rail guard fell to his death from an inter-city train near Basford Hall, Cheshire. Detectives believe Mr Edmund Emerson, aged 62, from Stockport, Greater Manchester, may have been pushed from the 7.35 am Manchester to Exeter train on Saturday. An emergency stop was made when an open door was spotted but the train moved off without his body being seen, and Mr Emerson was not reported missing until the train reached Euston, London.

## Mob gun law 'could hit Toxteth'

By Ian Smith

Toxteth will become a "no-go" area ruled by gun law unless the inquiry headed by Lord Gifford, QC, which opens today, defuses the explosive tension there, according to the former chairman of the Liverpool Police Authority.

The Liverpool 8 district was now more tense than in 1981, when tear gas was used for the first time on the British mainland to end weeks of rioting, she said.

Mrs Margaret Simey, who was police authority chairman when street violence erupted seven years ago, said guns and mob rule would rapidly replace bottles and stones unless the inquiry healed the gaping wound in relations between the police and local community.

The police are wary of the inquiry, which they believe will make unworkable recommendations based on biased evidence. The Police Federation has urged Mr Ken Oxford, Liverpool's Chief Constable, not to co-

operate and he is expected to announce his decision at a police authority meeting on Thursday.

Federation officials say that since the inquiry was announced, petty criminals wearing balaclava masks had been seen swaggering along local streets, there had been an upsurge in crime and on bonfire night an effigy with a pig's head and police uniform was set ablaze.

Unmoved by police reaction, Lord Gifford believes his inquiry, expected to last two years and involve monitoring of recommendations accepted by Liverpool City Council, which is financing the £54,000 investigation, will unite the Toxteth community and help eradicate crime.

Lord Gifford told *The Times*: "My remit is not to act as a judge. There is a lot of work to be done on a number of fronts and when it is completed my hope is that the recommendations we make will prove constructive and ease the tension for everyone — including the police. This is not merely an inquiry into policing questions. If it

was it would not deal with all the causes of tension. The council has made it clear our remit is far wider and that fits in with my own thinking.

"Police criticism is premature and I think if they realized this was a constructive and wide-ranging inquiry, which involves other authorities as well as the police, they would perhaps better understand the positive aspects of it from all points of view, including theirs.

"That point has been made clear in a letter I sent to Mr Oxford and he has replied that the matter is under serious consideration.

"Non-cooperation is a problem we will face if and when it happens. We remain very flexible about the steps we will take. Our panel is not a group of superior beings telling people what they should do. It is an attempt to learn from those who know best, and those are the local people."

Mrs Simey, who has lived in Toxteth for more than 50 years, will give evidence to the inquiry and urge the appointment of an ombudsman

and citizens' committee to liaise with the police. She believes that the ugly, though inevitable, alternative is gun law in an unpolicable inner-city ghetto.

Mrs Simey wants publication of the confidential public order manual adopted as a priority recommendation by the inquiry panel, and the establishment of a liaison committee between the police and public.

"We want to know where we stand on law and order. We want the baddies dealt with but not the goodies bullied, as happens all too often now", she said.

"If a more acceptable stance was taken by police, 90 per cent of the local population would help drive out the criminals."

"First, though the police must stop treating Toxteth like a Crown colony where they reign supreme and the feelings of the local population do not matter. Lord Gifford and his inquiry team face an enormous task but I remain optimistic about the outcome."

## Scargill faces rebellion on overtime ban

By Tim Jones, Employment Affairs Correspondent

Mr Arthur Scargill, president of the National Union of Mineworkers, faces significant challenges from his own members as he tries to stage another confrontation with British Coal.

The white-collar section of his own union turned its back on him at the weekend when it negotiated a deal with the rival Union of Democratic Mineworkers (UDM). It was the clearest sign so far of dissatisfaction with Mr Scargill's leadership.

Even hardliners within the NUM were predicting last night that his plans for an overtime ban throughout the winter were doomed and could only encourage the Government in its plans to privatise the industry.

As Mr Scargill and Mr Peter Heathfield, the union's general secretary, renewed their campaign to persuade miners to take industrial action over the demand that the union should have the right to negotiate wages and conditions throughout the coalfields, the indications were that they would be snubbed,

even in militant areas. Mr Scargill and his national executive committee have refused to negotiate with British Coal because of the corporation's insistence that the UDM has sole bargaining rights in those pits where its members are in a majority.

At the weekend, the NUM's position was further weakened when British Coal's open cast executive, Cosa, the white-collar section of the NUM and its UDM counterpart, signed a conciliation agreement covering 300 supervisory grade staff.

Yesterday Mr Scargill said: "Any purported agreement involving the UDM which has been signed by Cosa will not be recognized by the NUM."

The union's position was also weakened when, after two days of talks, the UDM executive recommended that its members accept an improved two-year pay deal which will increase night shift allowances.

The UDM has negotiated all pay increases within the industry since the year-long strike of 1984-85.

## The face in a Dublin crowd



Senator Edward Kennedy, a face in the crowd at an American college football game which took over the famous rugby ground at Lansdowne Road, Dublin, on Saturday. The senator was one of 44,000 spectators who watched the game between the Boston College Eagles and the United States Army side. While the pitch at Lansdowne Road is more used to scrums and lineouts, the trappings of American football, including brass bands and cheer leaders, were all there as Boston won 38-24 in only the second college game to be played in Europe.

## CND to focus on chemical weapons

Leaders of the Campaign for Nuclear Disarmament were last night preparing to fight the possible arrival of chemical weapons in Britain. They fear the Americans will shift their chemical arsenal from West Germany in 1992.

More than 700 delegates at the annual CND conference at Salford University, Greater Manchester, agreed to gear up their campaign against such weapons.

Miss Angela Gunning, a delegate from Colchester, led the move, saying: "Russia, France and the United States are the only countries which admit to having these weapons, but 20 other countries are suspected of holding them."

An agreement signed in 1925 banned the use of the weapons, including mustard gas, but countries reserved the right to retaliate.

Delegates were told that the United States had agreed to scrap its stockpile in West Germany in 1992, but it was possible the weapons could be moved to Britain, which dumped its 25,000-ton stockpile into the Atlantic in 1957.

Since then research has continued at Porton Down, Wiltshire, into protective gear and antidotes.

Mr Bruce Kent, chairman of CND, said at the weekend that whatever peaceful vibrations drift across from Eastern Europe, the need to campaign for disarmament remains undiminished (Ronald Faux writes).

"We are talking about a world which is spending a trillion dollars a year on weapons... of course there is a tremendous job still to do", he said.

The new mood in the Soviet Union had reduced the idea of Moscow being an enemy and induced the belief that campaigning for peace was no longer necessary. Membership of CND had fallen from 90,000 in 1985 to about 70,000.

A Gallup Poll published on the eve of the CND's conference showed that 46 per cent of the electorate are in favour of the completion of the Trident nuclear missile project. The poll, commissioned by Policy Research Associates, the centre-right political consultants, shows 39 per cent against and 15 per cent undecided.

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# Low-cost homes to help villagers left behind by the boom

By Sheila Gunn, Political Staff

Forty thousand homes are to be built in rural areas to help young villagers priced out of their communities by soaring property costs.

Environment ministers are working with the Rural Development Commission and the Housing Corporation to finance small developments of homes at reasonable rents and prices for young people who stand no chance of buying local property.

Mr Nicholas Ridley, Secretary of State for the Environment, won extra money in the autumn public spending round to help to fund rural development schemes.

Lord Cairness, Minister of State, has disclosed that he hopes a large part of the 80 per cent increase in budget going to the Housing Corporation over the next three years will be spent on rural housing.

Ministers are prepared to face hostility to new buildings in their efforts to try to help true country people to stay in their communities. They hope they can counter local objection by arguing that the new homes will be available only to local residents.

They have found that many country-bred families claim their children are being driven away from the locality because of the high cost of country properties. Many

more modest country properties have been sold to city-dwellers as weekend cottages and newer executive-style estates are too expensive.

It is understood that ministers will impose restrictions on the future sale of the low-cost homes to keep them available for local people.

Lord Cairness and officials of the Housing Corporation meet next month to decide how to spend the estimated £3 billion housing budget.

He said: "There is no species more important in the countryside than the countryman and countrywoman. The countryside depends on a healthy rural economy and those who participate in it. This means they must have somewhere to live which they can afford."

"We need more houses as social attitudes change and the number of people within households decreases."

He added: "We therefore must accept development in the country. But that development should present a range of choice including that of meeting the needs for low-cost housing for rent and for sale."

"Our housing policy is being geared towards that end and, on the rural side, we are specifically working with the National Agricultural Centre

Rural Trust through the Rural Development Commission and the Housing Corporation to ensure that villages are not left out of the benefits to flow from the massive 80 per cent increase in funding given to the Housing Corporation."

He said he is encouraging local councils and the private firms to build rural homes for local young people.

Lord Cairness also said new sources of employment in the countryside are being created to counter the decline in jobs in farming.

"Essential to a healthy rural economy is a soundly-based rural economy. This is no longer, in most areas, a predominantly agricultural economy. The agricultural industry had changed dramatically even before surplus agricultural production made the (European Economic Community) Community look at its agricultural policies in a new light."

"Agriculture is employing far fewer people than in the past. We need other sources of employment."

He added: "The Rural Development Commission has an important role to play in this. It stimulates the creation of rural jobs. Last year, for example, the commission invested a record £13 million in its workshop programme."

# The monster meets his maker

DENZI HAMELANCE



Mr Jim Henson (left) and Harry Dean Stanton, the American actor, examining a monster in Mr Henson's Creature Shop in Hampstead, north-west London. Stanton is in England to play the lead in *Monster Maker*, a one-hour film being made by TVS and Mr Henson for Channel 4. Mr Henson's fantasy creatures will be used in the film, which is to be made at Lee Studios, Wembley, and on location. Mr Henson is the creator of *The Muppets* and produced *Fraggle Rock* and *The Storyteller*, the children's television series. The film will be broadcast next year in the United States by NBC as part of *The Jim Henson Hour*, a new weekly series. Mr Henson and TVS are producing a second film, *Living with Dinosaurs*.

## Portfolio PLUS Accumulator

### Cash coup for charity

An enterprising branch of the Royal National Lifeboat Institution won a share of the Portfolio £2,000 weekly prize.

As one of 11 winners, RNLI members at Harpenden, Hertfordshire, who have accumulated 69 cards from newspaper scrap collections, will receive £727.27, about twice as much as they raise at a jumble sale.

Mr Patrick Wood, branch chairman, said yesterday the win was an efficient way of boosting funds. "We have run a waste paper collection service for some time and managed to collect quite a lot of cards. We have someone who puts them through a computer each day. However, this is our first win, so it's very nice."

The money will go to RNLI national funds.

The other winners of the weekly prize are: Mr M Perryman, Stifford Clays, Grays, Essex; Mrs D Murphy, Nikosia Road, Wandsworth, south-west London; Mr J Cartmell, Robertson Road, Buxton, Derbyshire; Mrs C Jex, Burgess Hill, West Sussex; Mr R Jenkin, South Street, Tolleys, Wandsworth; Mrs Grace Clark, Bundys, Colwood Lane, Boleyn, Sussex; Mrs I MacDonald, Swan Spring Avenue, Edinburgh.

## Disaster planning

### Ministry inaction attacked

By Tony Dawe

The Government is being accused of paying lip service to the proposals to help Britain plan for future disasters such as that at King's Cross fire and the Zebrugga ferry sinking.

Experts say that the Civil Emergencies Seminar at Easingwold, north Yorkshire, being organized by the Home Office this week is "an exercise in procrastination". They forecast that none of the key recommendations made earlier this year will be adopted.

Most of the 60 delegates are Civil Servants and hardly any of the experts who have recommended ways of improving disaster planning have been invited.

The experts have called, among other things, for a national disaster co-ordinator,

a centre for collating the lessons learned from disasters and a new law to ensure that adequate planning is done.

In briefing documents for the seminar, however, the Home Office suggests that such radical changes are unnecessary.

The programme is limited to subjects such as "multi-agency planning", the "local authority perspective" and the organization of casualty bureaux.

Mr Eric Alley, president of the Institute of Civil Defence and one of the "outsiders" to be invited, said yesterday: "I shall go but I know from the briefing of the Home Office that the seminar is designed to give the impression of doing something while achieving nothing."

Another delegate said: "I

sensed a real intention in government earlier this year to fill the gaps in our planning but now it all seems too much trouble and is, frankly, becoming a disaster itself."

In his report 10 days ago on the King's Cross fire, Mr Desmond Fennell, QC, called for a disaster planning desk.

Chief Supt Mark Rand, who had to supervise the identification of the 56 victims of the Bradford football stadium fire, has also called for a disaster squad with the expertise to advise people on the scene.

Local authorities should have a legal duty to make peace-time emergency plans to cope with a disaster such as the King's Cross blaze, a report today by the Association of Metropolitan Authorities says.

## Union claims first victory on loans

By Our Higher Education Reporter

The National Union of Students (NUS) claimed yesterday to have forced the first change in the contents of the White Paper on top-up loans for students.

The Department of Education and Science wrote to Miss Maeva Sherlock, president of the NUS, to clear up what a spokesman called a "misunderstanding" of the White Paper's contents.

The NUS and the Committee of Vice-Chancellors and Principals had raised fears that if the means testing scale for assessing grants and parental contributions was to be frozen, the lowest-paid families would eventually have to pay the full amount of the grants because as incomes rose they would be trapped by a scale frozen at 1990 levels.

However, the letter from the department said that the free-

ing of parental contributions did "not mean a freezing of the scale... nor do we mean re-indexing the scale annually by the retail price index".

The department said it would arrange for an annual reindexation of the parental contribution "in such a way as to freeze the average contribution".

The NUS claimed credit for forcing the clarification since the text of the White Paper was vague on the issue of the means-testing scale.

The union said it was a "fine illustration of how poorly drafted the whole paper is".

Its spokesman said that the "commitment to re-structure the scale throws all the figures in the paper into question".

Jack Straw, page 16  
Leading article, page 17

## School absenteeism

### Move to lure truants back

By Sam Kiley, Higher Education Reporter

Local authorities are to be told to make school classes more exciting to lure truants back to class as part of a government crackdown on record levels of absenteeism.

According to an unpublished survey by school inspectors, one in 13 (7.5 per cent) of schoolchildren is missing from class every day.

Pupils sitting GCSE examinations, which will determine their choice of career, A-level subjects and possibly university or polytechnic courses, are thought to have the worst record on school attendance.

According to figures from the Liverpool area, due to be released today, almost a third of pupils are cutting classes as they approach GCSE examinations. On any given day about 3,600 children in Liver-

pool's 33 comprehensive schools will be anywhere but under the eye of a teacher; overall, 12 per cent of pupils play truant in the city.

Mrs Angela Rumbold, the Minister of State for Education, will call on local authorities at the annual conference of the Association of Metropolitan Authorities in Doncaster on Wednesday to improve methods of tracking truants and to devise ways of making attending school more attractive.

Ministers are concerned that in the worst cases four out of 10 pupils in some schools watch videos or play fruit machines in the local amusement arcades instead of attending classes.

Prosecution of parents for failing to ensure that their children attend school are few

and far between. In Liverpool, the average fine for the 78 parents convicted last year was £50. The maximum fine is £400.

Mr Bryan Cartledge, former Ambassador to Moscow, is to play a key role in planning the way Russian language and history are to be taught in schools and universities.

Mr Kenneth Baker, Secretary of State for Education and Science, decided during his recent tour of the Soviet Union, when he was impressed by Soviet schools' teaching of English, to overhaul the way Soviet studies are taught in Britain.

Russian classes have declined over the past 20 years. In the early 1970s Russian was taught in about 800 British schools; in 1986 it was taught in only 400.

## Pressure on women 'too much'

There is too much pressure on women to be good mothers and it is too readily assumed they have maternal instincts, the Princess Royal says today.

Parents have a role to play in teaching their offspring about law and order, she says in an interview with *Woman's Journal*. Such activities as looking after animals can teach children a lot.

"In developed countries it is assumed that women are good mothers, that they have maternal instincts."

"It is still their role in life to be good mothers - not just to have children which, as I've said before, is an occupational hazard of being a wife. There's tremendous pressure on them to be ideal mothers, whereas the world is made up of good mothers and bad mothers and pretty average mothers."

"We are shocked when a mother in a developing country can walk away from a dying child. But if you were that mother, having children and infirmity, losing one wouldn't be as dramatic a disaster as if you had only two."

Girls with mothers in high-status jobs are less likely to feel pressed into taking traditional subjects at school and have the confidence to choose such male-dominated subjects as mathematics and the sciences, researchers say at Canberra College of Advanced Education, Australia.

## Church unity

### Setback over Vatican stance

By Clifford Longley, Religious Affairs Editor

The Vatican has criticized as inadequate and ambiguous an official statement from Anglican and Roman Catholic experts that was hailed as the solution to a fundamental dispute of the Reformation.

The statement, on justification by faith, was published by the Anglican Roman Catholic International Commission, and was approved at the Lambeth Conference in the summer as according with Anglican doctrine.

The verdict issued at the weekend by the Congregation for the Doctrine of the Faith in Rome declares that the statement "can be interpreted in a way that conforms with Catholic faith".

But it cannot be ratified as an agreement on the essential aspects of the doctrine, largely because, in the congregation's judgement, it is capable of more than one interpretation.

It says that in matters of such fundamental significance there should be no possibility of ambiguity. The commission's statement is also criticized for failing to deal fully with the doctrine of the Thirty-Nine Articles of the Church of England on the relevant points.

This will undoubtedly be seen as a setback to the long theological dialogue between Anglicanism and Catholicism. Some detailed criticisms will

Women in the Church of England should be ordained without delay, the wives of some of the church's most powerful bishops say. "There is no reason why half the population should not be able to celebrate Holy Communion", Mrs Gillian Baker, wife of the Bishop of Salisbury, says in *Woman's Journal*.

Mrs Henrietta Satter, wife of the Bishop of Birmingham, says: "My husband is not against it but he sees more of the problems". However Mrs Jean Walker, wife of the Bishop of Ely, says she "cannot accept the idea of women saying the prayer of consecration".

reopen fears among Evangelicals on the Anglican side that Roman Catholic doctrine is still fundamentally incompatible with the more Protestant strain in the Anglican tradition.

The verdict of the congregation comes in two documents, a short series of "authoritative observations" and a much longer commentary. But only the former has been approved by Pope John Paul II, and it is the less critical of the two.

It hails the statement, "Salvation and the Church", as containing a number of satisfying elements; and it sums up its overall view as substantially positive. But it

concludes: "The vision of the church as sacrament of salvation and the specifically sacramental dimension of man's justification and sanctification are too vague and too weak to allow us to affirm that the commission has arrived at substantial agreement."

The sole purpose of the observations, according to the commentary, is to encourage the commission further along the road it has taken.

But Anglican Evangelical misgivings will be emphasized by the commentary's statement that "faith, by itself, is not capable of justifying the sinner". The Reformation dispute was precisely over the Lutheran claim that justification was by faith alone.

The Vatican response quotes the Council of Trent - which met in the sixteenth century to refute Luther - as saying that faith is only the beginning of salvation.

The "principal instruments" of justification are the sacraments, for which faith has "in reality a decisive, even if subordinate role".

The commentary apparently insists that repentance on its own is insufficient without sacramental confession.

While many Anglicans do confess their sins to a priest, it has never been regarded as essential.

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## Buyers can see the dry rot on video

By Christopher Warman  
Property Correspondent

Confused house-buyers unable to understand the details of a surveyor's report are being offered a structural survey on video by the estate agent arm of the Nationwide Anglia Building Society.

The innovative survey has the approval of professional bodies such as the Royal Institution of Chartered Surveyors and indemnity insurers.

Mr Malcolm Hollis, divisional manager of professional services at Nationwide Anglia, said: "The video survey will make it much easier for people to see the extent of any defect."

"People have had difficulty in the past understanding the complexities of the written survey. Video, through television, is now the medium that people

are used to, and they can see what is wrong with a property as it is explained by the surveyor."

By pointing out the problem areas - cracks, damp, settlement or bad wiring, for example - the surveyor can alert buyers to the likely cost of repairs.

The video service is to be offered in Belfast, Kent, Hampshire, the Isle of Wight, London, Lancashire, east Scotland and Birmingham, and elsewhere according to demand. The survey has been examined by legal experts to ensure it provides the same level of advice, and same degree of protection to client and surveyor, as the written form.

It costs about £50 more than the present charge for a structural survey on an average property - about £300 - and provides a permanent visual record of

the property. Its launch comes after the Law Commission's conveyancing standing committee recommended last Tuesday that the seller of a property should be legally bound to tell a buyer of its defects, or provide a structural survey.

Mr Hollis welcomed that suggestion. "If it gives professional, technical advice which can be relied upon, that would be much better than the mortgage valuation by a building society which buyers wrongly regard as a guarantee."

However, the committee's report has had a mixed response. The Incorporated Society of Valuers and Auctioneers said the proposal to make house sellers tell buyers about the property's defects were impractical and could lead to increased house prices. Estate agents were also dubious of the value of the proposal.





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Mackay  
ways to keep  
offenders ou

Stacy over JP's  
plans to be ended

Le Alma- Ladema  
on the market





# Mackay seeks new ways to keep most offenders out of jail

By Frances Gibb, Legal Affairs Correspondent

Fresh ways to punish offenders other than prison, which should be seen as a "last resort for the vast majority of offenders", were called for by Lord Mackay of Clashfern, the Lord Chancellor, at the weekend.

"There is little evidence to suggest that a prison sentence serves to improve or rehabilitate many offenders found guilty of neither serious nor violent offences", he said.

"We must ensure that there is a range of effective and credible sentences available for those who can be dealt with outside prison, without endangering public safety."

He also criticized the use of police cells for remand prisoners as a result of prison overcrowding. "There is unanimity that it is indefensible that remand prisoners should be held at police stations which were not intended or designed for this purpose", he said. Recent figures showed up to 1,310 were housed in police cells at any one time.

The average population of sentenced prisoners in England and Wales had risen by 4 per cent since 1980 but the average population of untried

prisoners had more than doubled in the same time.

"It is not therefore just sentencing which needs looking at but also the delay in bringing cases to trial and the process by which a decision is reached to grant or refuse bail", he said.

Lord Mackay, who was addressing the annual conference of the Scottish Association for the Study of Delinquency, said recorded crime levels had fallen in the last six months for the first time in five years. But they were still too high generally; and legislation, control and crime prevention advice were not enough.

Everyone involved in the criminal process — the Government, sentencers, police and others — should "think afresh" about how to deal with the non-violent majority of offenders, for whom imprisonment is in most cases "probably inappropriate", Lord Mackay said.

Alternatives had to seek not only to rehabilitate offenders but also to punish and to demonstrate the errors of their ways. But the public had to be convinced that these were

effective. Treating offenders where possible in the community had already been tried with juveniles with positive results: fewer juveniles had to be taken to court and the numbers given custodial sentences had nearly halved from nearly 8,000 in 1971 to about 4,000 in 1987.

The aim, as expressed in the Government's Green Paper, was now to build on that for the next age group, from 17 to 20 years. "Why should a 17-year-old who commits the same type of offence as a 16-year-old and who resembles him in every other way be four times as likely to receive a custodial sentence?"

There were several other initiatives either in force or being considered to develop alternatives to custody, he said.

One was the use of fine enforcement officers to advise offenders on repayment and help them to avoid imprisonment; another was the "unit fine" scheme, along the lines of the "day fine" scheme on the Continent in which the fine is expressed as a number of days and worked out against the offender's income.

# Polar voyage for an intrepid diplomat



Mr Fullerton being briefed by Mr Stephen Clifton, a supply ship master, at Port Stanley harbour. The Governor is looking forward to a trip to Antarctica.

Mr William Fullerton, the new Governor of the Falkland Islands, is planning a trip to Antarctica that will follow a string of adventures on this and previous postings.

On his recent arrival in the South Atlantic he was treated to what the captain of his aircraft described as "a spectacular welcome". Freak weather forced his RAF Tristar to make an

Report and photograph by Ros Drinkwater

unscheduled landing on the north-west coast of Africa and the eventual landing on East Falkland had to be executed in the hair-raising maximum crosswind limit of 30 knots.

A little bad weather, however is

unlikely to deter one of the few Englishmen to have stood on the tip of the Horn of Africa. A career diplomat and intrepid traveller, Mr Fullerton believes in taking the greatest possible advantage of his surroundings. On past ambassadorial postings, he has enjoyed such off-duty delights as camel-riding and crossing the Red Sea in a 24 ft sail boat.

Once in the South Atlantic he lost no time in donning the local garb of waterproof and wellingtons for an impromptu visit to the MV Forrest, one of the island's two supply ships. "I've always enjoyed basic sea sailing," he said. "I am looking forward to going to sea and am planning a trip to Antarctica".

# Secrecy over JPs' panels to be ended

By Our Legal Affairs Correspondent

The secret selection process for magistrates in England and Wales is to be opened up to "enhance public confidence in the magistracy" and to help attract a wider pool of people to the bench, the Lord Chancellor has decided.

The 878 names of members of the 95 local advisory committees who interview candidates and recommend them for appointment are to be published for the first time by 1992.

The move is a step towards demystifying the procedure by which lay magistrates, who handle 95 per cent of all criminal cases, are chosen.

The selection system has been criticized for being shrouded in secrecy. Lord Mackay said the implication has been "that there is something to hide". The decision has been made after a survey

of the local committees, conducted by one of his predecessors, Lord Hailsham of St Marylebone, in which 65 of the 95 favoured disclosure of names.

Lord Mackay said the public would see that advisory committees were "fairly composed of members drawn from different sections of the community" and this would remove the aura of unnecessary secrecy that surrounds the selection process.

The move was also likely to ease the difficulty in recruiting young people, shopfloor workers and wage earners to the magistracy, Lord Mackay said.

Mr John Hosking, chairman of the Magistrates' Association, said it was important that magistrates were seen as being drawn from ordinary people.

# Lost Alma-Tadema is back on the market

A large and glorious nude, "A Sculptor's Model", by the Victorian classical painter, Sir Lawrence Alma-Tadema, returns from oblivion when it comes under the hammer at Christie's on Friday, having for 40 years been listed as "lost in the war".

The picture was discovered by a Christie's expert in the storeroom of the Norwegian National Gallery in Oslo in 1980.

The Oslo authorities subsequently released the picture to the artist's surviving son, who sold it the following year at Christie's for £100,000. It is now expected to fetch between £250,000 and £350,000.

The subject of the work was suggested to the artist by the discovery in Rome in 1874 of the ancient statue of Venus Esquilina. Alma-Tadema's picture gives a naturalistic glimpse of the statue's actual creation by the Roman sculptor at work with a live model.

Sotheby's New York sale at the weekend confirmed the continuing strength of the market for fine English furniture although in the main

**SALEROOM**

By Jenny Gilbert

prices rarely topped their upper estimate. Top price was \$71,000 (£41,800) for a pair of ornate George I gilt gesso side tables.

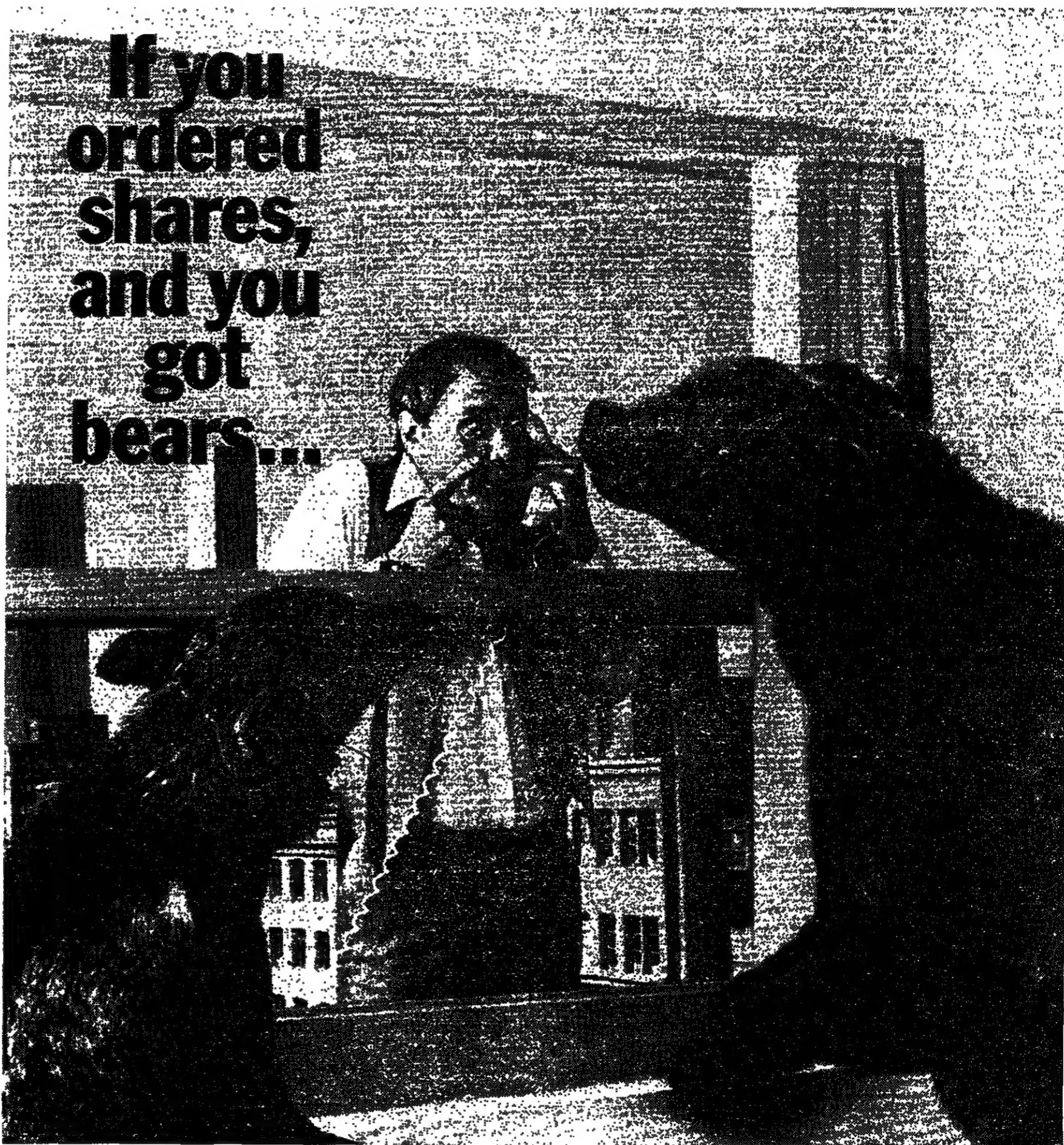
● The first Victoria Cross awarded for action in the United Kingdom is to be auctioned in London tomorrow.

It was awarded in 1916 to Lieutenant William Leefe Robinson, the first pilot to shoot down a Zeppelin over Britain. It was the most public act of valour to win a VC and was watched by tens of thousands of Londoners.

The medal, along with other personal possessions and Zeppelin memorabilia, has been estimated to fetch up to £80,000 at the Christie's auction.

The VC is being sold by the pilot's niece, Mrs Gia Libin, of Hayward's Heath, West Sussex, to provide funds for a new children's cancer charity, A Medal for Life.

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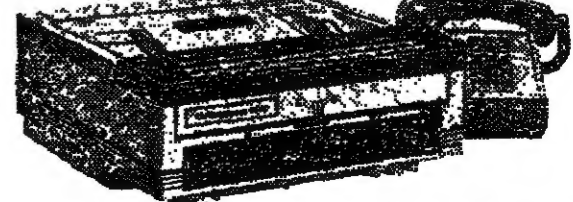
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# Army fears a terror blitz as IRA trains more killers

By Jamie Dettmer, Irish Affairs Correspondent

A new wave of IRA recruits is being trained in the Irish Republic and possibly Libya to use advanced weaponry so far not deployed in Northern Ireland. Their ranks have been strengthened by terrorists released on remission from the province's prisons, according to authoritative Army sources.

The security forces estimate that 30 per cent of released terrorists are returning to frontline action. Large numbers are also returning in support and training roles.

The Army is particularly concerned that present training will result in the use of surface-to-air missiles capable of bringing down helicopters.

So far the missiles, believed to be Libyan-supplied Soviet SAM 7s, have not been used by the IRA, although experts are still investigating a report by a helicopter pilot who believes a missile may have been fired at him from south of the border.

Army commanders are telling the Government that the fight against the IRA is being made more difficult by the remission system, whereby terrorists are released after serving half of their sentences.

"As fast as we can convict terrorists they are being re-

placed by others released from prison", one source said.

In spite of the concern the Army does not support the introduction of internment. "It would be just a short-term relief. Sooner or later you have to let them out", a senior source said.

The emergence of Army fears came as Sir John Hermon, Chief Constable of the RUC, announced that regular policing would be cut because of the financial pressures of fighting terrorism.

The £2 million cuts will involve the closure of 11 small police stations.

Military sources believe the IRA has stockpiled about 150 tonnes of weapons and explosives, including SAM 7s and Soviet-made anti-aircraft guns, smuggled into the Irish Republic from Libya.

Almost twice as many weapons and 20 times as many explosives have been recovered by the security forces so far this year as in the whole of last year.

Four men were remanded in custody until December 2 at a special court in Armagh at the weekend, accused of possessing weapons and more than 11,000 rounds of ammunition.

# Prince to visit the Boston Stump

MARC ASPLAND



Children playing football yesterday in front of the 252 ft tower of St Botolph's parish church, known as the Stump, the dominant feature of Boston, Lincolnshire, since 1309.

The church will be visited on Wednesday by the Prince of Wales, who will be surveying a £1 million restoration project he helped to finance with a sizeable donation.

Canon Peter Fluck, vicar of St Botolph's since 1984, said: "We began the enormous restoring job in 1978 with

an appeal for £400,000 but inflation caught up with us when it was only two-thirds finished".

The ambitious project included restoring seven chancel windows, at £15,000 a time.

The tower and stonework needed cleaning and renewing and £90,000 was spent on the church's organ. In 1985 an appeal was launched for a further £400,000, which has nearly been raised.

"We're aiming to complete as soon as possible but there is still more stone-

work, windows and floors, not to mention major renovations to eroded carvings", Canon Fluck said.

St Botolph's is Britain's biggest parish church. Sir Nikolaus Pevsner, in *The Buildings of England*, described its lantern-topped tower as "the most prodigious of English parochial steeples". Canon Fluck said: "Successful generations have had to wrestle with the demands made by the church, both in mission and maintenance, and we are just trying to catch up with the backlog".

WHITEHALL BRIEF  
by David Walker

# Insider tells epic Polaris success story

The Navy didn't want it. The Royal Air Force was positively antagonistic. But in a six-week period spanning December 1962 and January 1963, the Government willed for Britain a weapons system that became for 20 years an independent guarantee of national security — Polaris.

Professor Peter Naylor, who retired next month from the department of history and international affairs at the Royal Naval College, Greenwich, has just published the story of Polaris' adoption by the Navy in a book which, if not easy going, is probably required reading for anyone interested in how the Forces operate and how large organizations cope with technological change.

*The Nassau Connection* is a bawdier version of a classified report on the organization and management of the Polaris Project, put together by Professor Naylor a decade ago. Defence is — the professor makes the point — an odd business. Secrets are fiercely protected, yet there is more open discussion of strategies, principles, organizations than there ever is in the realm of domestic politics.

Professor Naylor was an Admiralty Civil Servant in Portsmouth who, in the winter of 1962, was told to report to Whitehall to join in a project of utmost secrecy.

Polaris was not chosen by "intelligent analysis". The RAF wanted bombers. The Navy wanted available resources to go into the construction of aircraft carriers. "To some officers it was a frightful choice; to others a bloody risky thing to do", Professor Naylor recalls.

But the Prime Minister, Harold Macmillan, had met President Kennedy in Nassau and signed up for Polaris, itself an accident since it

had come on stream through the failure of US technology in the Skybolt project.

The Admiralty team started from scratch: no file to go on except the US Navy's Special Projects Office. "And so, in the early months of 1963 we pushed out on a voyage of discovery."

It turned out to be an epic. It began with hard negotiations with the American Defence Secretary, Robert McNamara, over how much Britain should pay, and ended with the trade unions at Cammell Laird in Birkenhead downing tools. But in the middle a heroic organization was built and, to and behold, by 1968-69 Polaris came in on time and under budget, a miracle in the history of big weapons systems and, for that reason, well worth studying.

Professor Naylor left the Civil Service in the late 1960s to teach politics at the new University of Lancaster, but the idea of studying this successful operation, suggested to him by Admiral Charles Shepherd, became a working project.

"Explaining success is actually more difficult than studying failure. People associated with a success find it difficult to focus and offer an explanation. If a project's a failure people find it easier to identify the point at which it went wrong."

Naylor's work proved his contention that every big organization needs good history — how else do decision-makers learn from the mistakes of their predecessors? His study of Polaris became essential reading for the team that negotiated Polaris' successor as the national deterrent, Trident.

*The Nassau Connection. The Organization and Management of the British Polaris Project* (Peter Naylor, Stationery Office Books).

# Suicide canon 'nearly confessed to bishop'

By Patrick O'Hanlon

The Bishop of London may have unknowingly come close to dissuading the "anonymous" author of the controversial *Crockford's Clerical Directory* preface from committing suicide, according to a biography published today.

Only days before his death last December, Canon Gareth Bennett confided to a friend that a telephone call from the Bishop, Dr Graham Leonard, had been his "greatest temptation to come clean".

Dr Leonard received an advance copy of the preface, which praised him as a defender of mainstream Anglicanism and condemned the Archbishop of Canterbury for advancing the church's liberal establishment.

On the day of publication, after reading it, he telephoned Canon Bennett, one of his examining chaplains and a close friend. In Dr Leonard's opinion, style and content pointed to Bennett as "the only man in the Church of England who could have written it". However, Bennett denied he was the author.

On the eve of publication, Bennett met Father Philip Ursell, whom he had taken into his confidence.

On the day of publication, Fr Ursell said Bennett told him "that his greatest temptation to 'come clean' had been that morning when Bishop Graham had been on the telephone to him saying what a splendid essay it was".

Graham Leonard, Bishop of London (John Peart-Binns, Darton Longman and Todd, £12.95).

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AND ENTRIES FROM OTHER SOURCES.

Edward Arice Minassian—born to Armenian parents in Constantinople in 1902—after arriving in England in 1917 to study law, his studies were interrupted by the sudden death of his father, a rug merchant, leaving him an established business. His natural talents in rug design were soon spotted by Warranallers of New York who appointed him their agent on the London Market, then at the height of its prosperity. During that period of 1922–1925 he became a self-employed Broker and Appraiser and Dealer in oriental rugs. By 1944 he had married and then became Director of OIMAR, a Hamagiste rug firm. He later moved back to London with Nazars' firm Westbourne Galleries. During the early 70's the formation of the OCC took place in North London which naturally provided a home for the Chinese Carpet Company. By this time Minassian had been appointed the expert valuer to H.M. Customs & Excise and was nominated to membership of the International Guild of Valuers—a great honour.

His awareness after forty years of research and practical experience of the ethnic appreciation embracing carpets, textiles, tapestries, embroidery, symbols and their meaning earned him the making him consultant to H.M. Customs & Excise for many years with reputable legal establishments until his sudden death in August 1982 just after his Hamburg exhibition earlier that year.

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# Straight-talking Sakharov ruffles feathers of his US audiences

From Charles Bremner  
New York

Dr Andrei Sakharov is nearing the end of a three-week stay in the US that has sometimes perplexed his American hosts and given them a glimpse of the indomitable honesty that set the physicist above his official tormentors and many fellow-dissidents.

Lionized and bombarded with honours and invitations, Dr Sakharov has been doing in America what he has long done at home, whether as dissident in the wilderness or more recently, as Mr Gorbachev's uneasy ally. He has spoken his mind with little concession to the sensibilities of his audience. And, just as in Moscow, not everyone is happy.

Last Thursday, the frail, stooping Dr Sakharov stunned an assembly of rich and famous New

Yorkers who came to attend a fund-raising dinner for the international foundation that brought him to America and which they had gathered to support.

The audience, which included Mr David Rockefeller, Miss Yoko Ono and Mr Robert McNamara, the former Defence Secretary, heard him say: "I must say that my hopes for the way the foundation would work have not been met and I am developing a certain wariness for the work. Even now ... I reserve the right to withhold approval."

Over the weekend, several of Dr Sakharov's fellow board members — both Soviet and American — on the Moscow-based International Foundation for Survival and Development of Humanity, grumbled about the physicist's candour.

Dr Yevgeny Velikov, the re-

spected scientist who advises the Kremlin, perceived a little ingratitude towards the board. "We refused to come without him but it was not easy getting all the clearances required and we worked very hard," he told *The New York Times*. He suggested the physicist's long struggle with pre-Gorbachev regimes led him to be too confrontational.

But Dr Sakharov agreed on Friday to lead an international panel set up by the foundation to examine prison conditions in the Soviet Union, the US and Sweden, at first, and then in Latin America and Africa. The foundation, which has a 30-member board of scientists, was set up last year in Moscow as an independent body.

What Soviet officials, from the Ambassador, Mr Yuri Dubinin, in Washington, to Dr Sakharov's

scientific colleagues, find hard to take are his unflinching warnings that the Soviet Union still represents a military threat and that Mr Gorbachev is rapidly concentrating a dangerous amount of power in his own hands.

He told the US Helsinki Watch Committee and the New York Academy of Sciences that the rapid creation of a powerful Supreme Soviet was "tantamount to a coup". Mr Gorbachev's intentions were good, he said, "but I think it is a dangerous development".

Remarks like that have quelled some suspicions among some émigrés and US hardliners that Mr Gorbachev had co-opted the country's leading moral voice for the furtherance of his policies. But Dr Sakharov has also argued strongly that the West must

support the reforms in perestroika. Dr Sakharov has ruffled a few American feathers with attacks on American policy. On Thursday, he attended a dinner in honour of Mr Edward Teller, like Dr Sakharov a pioneer of his country's H-bomb, and used the occasion for a passionate attack on the Star Wars missile defence scheme. Dr Teller is the chief scientist and visionary behind Star Wars.

Of their two roles in H-bomb work, Dr Sakharov said: "While each side felt this work was vital to maintain balance, what we were doing was a great tragedy." Dr Teller strongly disagreed and said the Soviet physicist knew nothing about Soviet advances in Star Wars research.

Dr Sakharov also upset the Helsinki Watch Commission, a body that publicized the ill-

treatment of dissidents in the pre-Gorbachev years, when he refused to make a videotape for it to show at its annual board meeting. And when Mr Charles Wick, head of the Voice of America and a close friend of President Reagan, asked if Dr Sakharov agreed that the radio was highly influential among the Soviet public, the physicist flatly disagreed.

Throughout his sometimes prickly encounters at the dinner tables and podiums of the East Coast elite, Dr Sakharov has cut so sharply through the flattery and encomia that his translators have at times edited his remarks.

One human rights veteran who watched Dr Sakharov with Mr Edward Klein, a New York businessman who has acted as his near constant companion and interpreter, said: "It seems to me

that sometimes Klein translates what he thinks Sakharov should have said, rather than what he said."

Several of the old dissident movement, who left Russia with one-way tickets, admire the way Dr Sakharov has retained his authority above the political fray. "Circumstances change, but Dr Sakharov doesn't change," said Mrs Ludmila Alexeyeva, a veteran Moscow activist and friend of the physicist.

Dr Sakharov's presence has served as a salutary preface for the arrival of Mr Gorbachev in New York early next month. The physicist's realism has stirred some questions at a time when Mr Gorbachev can almost do no wrong in the eyes of many of the academic-political community of the East Coast.

## Contradictory polls put Pakistan unity at risk

From Anatol Lieven, Lahore

The results of Pakistan's provincial assembly elections have placed the country's national unity in danger.

The choice facing President Ghulam Ishaq Khan lies between appointing a Pakistan People's Party national government, opposed by at least two of the country's four provinces, or an Islamic Democratic Alliance administration which would have no representative from the embittered Sindh community.

The President seems likely to opt for Miss Benazir Bhutto's PPP — but it will not be an easy choice. In the words of one observer, "the voters have presented him with a dog's breakfast".

With the People's Party forming the largest party at the centre, and the Alliance, albeit by a much smaller majority — leading in Punjab, which has more than 60 per cent of Pakistan's population, the two parties appear to be working from opposite directions to secure power.

The PPP is using its 92 National Assembly seats in Islamabad to insist on being allowed to form the national government. It is likely thereafter to use central patronage and prestige to win over the independents and smaller parties in the Punjab Assembly to win a People's Party govern-

ment in Lahore also. The IDA seems to favour working from the provinces towards the centre, first trying to form the provincial governments, then using this as an argument to persuade the President to let it form a national coalition. The Alliance argument will carry the implicit threat that its provincial governments could make life impossible for Miss Bhutto as Prime Minister.

This is something that worries Pakistanis deeply, as governments in Islamabad and Lahore have never come from different parties.

President Ishaq Khan, however, might be moved towards the IDA by the threat of a split between provincial and central government, and by his own lingering fear of the People's Party. Three even more powerful forces, however, are likely to push him in the other direction.

The first of these is the fury of PPP supporters which will result if the party is denied power. So far, both parties have been extremely law-abiding. But there are plenty of well-armed young men on both sides, and People's Party officials are already speaking of the possibility of a mass upsurge if the President decides against them.

The second force is America. Miss Bhutto has captured

the imagination of many people there, and Washington appears quite reconciled to her coming to power. The alternative, the State Department fears, would be chaos.

The third and most important factor to be considered by the President is the province of Sindh. Politically, it is now split down the middle along ethnic lines. The IDA did not win a single seat there in the national election, and in the provincial poll Mr Akhtar Ali Khan, the caretaker Chief Minister of Sindh, and all his ministers except one were routed by the People's Party, which won a two-thirds majority.

In both votes, the PPP won all but a handful of country and small-town seats with Sindh-speaking populations, and the Mohajir Qaumi Movement won all those inhabited by Urdu-speaking former immigrants from India. These communities have clashed repeatedly and bloodily over recent years.

The Sindhis have some reason to feel bitter. Until partition and independence in 1947, they formed the bulk of Sindh's population. After the loss of Bangladesh, Pakistani governments became acutely aware of the need not to alienate the Sindhis. The Bhuttos are Sindhis, so is Mr

Mohammed Khan Junejo, the former Prime Minister, and some people think that an unwritten convention has grown up that the Prime Minister has to be from Sindh.

This notion causes resentment in Punjab, which the IDA has been trying to exploit. Its spokesmen have recently been quoting an alleged remark by Miss Bhutto, which she denies, to the effect that it would be difficult for a Punjabi to become Prime Minister because of the opposition of other provinces.

Even more dangerous is a rumour circulating in Lahore since last Wednesday saying that in Sindh the houses of Punjab are being marked for attack. This rumour is almost certainly untrue. But, given the volatile state of ethnic relations in the province, if a national government were chosen without Sindh representation, such a bloodthirsty scenario could materialize.

In the circumstances, it is difficult to see how the President can avoid making Miss Bhutto Prime Minister — and taking the consequences.

● ISLAMABAD: The Chief Minister of North West Frontier Province, General Fazle Haq, yesterday tendered his resignation to the provincial governor after losing in the provincial elections.

## Clash after vigil for Christina Onassis



### Daughter in line for a fortune

By Mario Modiano

The latest tragic twist in the Onassis saga could mean that a little girl who celebrates her fourth birthday next month has virtually become an overnight billionaire.

A close associate of Miss Christina Onassis, the Greek heiress who died suddenly on Saturday aged 37, said: "I know she has made a will. And I know that in it she sets up a trust for Athena (Miss Onassis' only child) until she comes of age. I assume that the child's father is among the custodians".

The total estate left by Miss Onassis is estimated to be worth between \$1 billion (£550 million) and \$2 billion.

Athena was born in 1983 when the heiress was married to the French businessman who was her fourth husband. The couple were married in Paris in March 1984. Eight months later the heiress filed for divorce.

The Onassis fortune was split in 1975 between Miss Onassis and the Onassis Foundation which awards annual Nobel-like prizes to deserving causes.

This involved the assets of about 70 companies engaged in transport, property and financial and industrial activities in three continents.

After her father's death, Miss Onassis not only took over effective control of his businesses, but she carried out drastic streamlining in the management of her companies, bringing in new blood and experience.

There are conflicting reports about the nature of her investments. Some sources indicated that she had gradually divested herself of all non-shipping holdings, while others insist that it was because she had diversified that she had forestalled the prolonged shipping crisis and protected her fortune.

The exact worth of Miss

Onassis's estate is unknown. The Springfield Shipping Company of Piraeus, one of the firms which manages a fleet of ships owned by Miss Onassis and the foundation, is known to control 25 vessels with a total tonnage of 2.5 million.

The funeral is expected to be in Athens on Friday, followed by burial on her private island, Skorpios, off the western coast of Greece, on Saturday.

Miss Onassis, who died while visiting friends in Buenos Aires, is to be buried in the family churchyard on Skorpios, next to her father,

Aristotle Onassis, her brother Alexander and her paternal aunt, Artemis Garofalidou.

Mr Paul Ioannidis, a member of the foundation's board, flew to Argentina yesterday to bring back the body. "We expect to have the funeral in Athens later this week, followed by interment on Skorpios," Professor Georgakis said. He added that Miss Onassis, who was president of the foundation, had left written instructions to her lawyer regarding burial.

Miss Onassis usually lived in an estate near Geneva with Athena.

Obituary, page 18

### WORLD ROUNDUP

## Albanian protest halted by pledge

Belgrade — Tens of thousands of ethnic Albanians, who had protested for three days in Pristina, the capital of the troubled Yugoslav region of Kosovo, yesterday responded to frantic appeals from local and federal authorities and suspended demonstrations (Dessa Trevisan writes).

The protesters were promised that demands for guarantees about their constitutional rights and the reinstatement of two party chiefs, forced to resign under Serbian pressure, would be considered at an emergency meeting of regional party leaders. Mr Ramiz Kallagjeri, the President of Kosovo, had warned that extraordinary measures might be imposed to calm the situation.

## Liberals plan merger

Johannesburg — Three liberal political groups in South Africa have agreed to consider merging with the aim of creating a new opposition party to the left of the ruling National Party. They hope to be able to announce the new party by mid-December (Michael Hornsby writes).

Dr Zac de Beer, leader of the Progressive Federal Party, the biggest liberal group in Parliament. Dr Denis Worrall, Independent Party leader and former South African Ambassador to Britain, and Mr Wynand Malan, head of the National Democratic Movement, are involved in the plan.

## Greek banker in Rio

Athens — Mr George Koskotas, aged 34, the Greek banking and press tycoon who disappeared two weeks ago while facing charges of forgery and embezzlement, has been found by Greek reporters in a hotel in Rio de Janeiro. Brazil has no extradition treaty with Greece (Mario Modiano writes).

The Greek Government, badly shaken by accusations that Mr Koskotas had bribed very senior government officials and had been helped to escape, said it had no indication of his whereabouts. A warrant for his arrest is pending here and Interpol has been notified.

## Successor to Strauss

Munich — More than 1,000 delegates from Bavaria's right-wing Christian Social Union have elected Herr Theo Waigel to succeed the late Franz Josef Strauss, who led the party for nearly 30 years and whose sudden death seven weeks ago shocked politicians.

Herr Waigel, the sole candidate for the party chairmanship, is aged 49. He has headed the Christian Social Union parliamentary group in Bonn since 1982 and is to retain that post as watchdog over the party's interests in Chancellor Helmut Kohl's centre-right coalition.

## Kaunda rejects snub

Lusaka (Reuters) — President Kaunda said yesterday there was no problem if Mrs Thatcher chose to exclude Zambia from a planned tour of southern Africa next year. He wished her the best of luck.

British officials said on Friday that Mrs Thatcher planned to tour black southern African states in late March or early April, but would exclude Zambia in a rebuff to President Kaunda. They said she had not forgotten the public haranguing the Zambian President gave Sir Geoffrey Howe, the Foreign Secretary, when he visited Lusaka in July, 1986.

## Polish talks 'impasse'

Warsaw (Reuters) — Mr Lech Walesa, the Solidarity leader, emerged from two days of talks with Mr Czeslaw Kiszczak, Poland's Minister of the Interior, and accused the Government of dragging its feet on national reconciliation. "Their position has stiffened and instead of moving forward, we are marking time," he said.

Mr Walesa said progress was impossible until the authorities made a political decision to introduce real pluralism — trade union rights and other freedoms. "Once that decision is made, we can achieve big things."

### Sri Lanka council ballot

## Tamils and India the main victors

From Vijitha Yapa, Colombo

The Eelam People's Revolutionary Liberation Front captured 17 seats in Sri Lanka's Eastern province to become the dominant party in the joint Northern-Eastern provincial council elections held at the weekend.

The People's Front already had 23 seats in Northern province, elected uncontested, while an ally, the Eelam National Democratic Liberation Front, had obtained 13 seats, also in the north and uncontested. The two fronts consist of guerrillas from the island's minority Tamil community, who were engaged in fighting Sri Lanka's security forces until July last year. But they accepted the accord signed by India and Sri Lanka on July 29, 1987, in an attempt to end the secessionist war. They opted to join the democratic process, backing the Indian Army which brought in more than 50,000 men to try to disarm the militant Liberation Tigers of Tamil Eelam.

The Tigers threatened voters and tried to disrupt the polls by calling for a boycott, but the high turn-out was an important rebuff for them. The Provincial Council will give limited autonomy to the Tamil community in the north and east, which have been merged temporarily pending a referendum on their unification next year. The elections are also a triumph for the Indians, who insisted

that they should be held despite attempts by some Sri Lankan ministers to postpone it until after the presidential elections on December 19.

The polls also saw the emergence of the Sri Lanka Muslim Congress, little known until a year ago. It took 17 seats in the Eastern province, the same as the People's Front, but will be in opposition as the revolutionary group has more seats through its unopposed victory in the north. The ruling United National Party, which contested some eastern areas, won only one seat. The party has been handicapped, with most members of the Sinhala community driven away from the east because of consistent attacks by Tamil guerrillas during the past five years, and because it was late in submitting nomination papers in Trincomalee district and was not allowed to fight the election there. In addition, a lot of its support came from the Muslims, who have opted for their own party.

One immediate effect of the election is that cadres of the People's Front, who have been engaged in trying to eliminate the Tigers with Indian support, will now be legalized with their absorption into the provincial police force. Reports from Jaffna, in the north, say that over the past months, at least 80 Tigers have been assassinated, allegedly by the People's Front.

## Congressional report signals Bush U-turn on tax

From Michael Binyon  
Washington

A bipartisan congressional agency, the General Accounting Office, has said in a report that higher taxes are "probably an unavoidable part of any realistic strategy for reducing the deficit" — so increasing the pressure on President-elect George Bush to reverse his campaign pledge not to raise taxes.

The accounting office also dismissed Mr Bush's claim before the election that the \$150 billion (£82.5 billion) US deficit could be erased through a natural growth in revenues or through a spending freeze. "There are no quick or painless solutions to the federal Government's budget problem," the GAO said in the first of a series of reports on presidential

transition issues. The report comes just before the announcement, expected today, of the key figures to join Mr Nicholas Brady, the Treasury Secretary, in tackling the looming crisis. Mr Bush is expected to name Mr Richard Darman, a former Treasury official, as his budget director, and Professor Michael Boskin as chairman of his Council of Economic Advisers.

The GAO report gave a warning that the new administration would face increasing costs in health care and in rescuing ailing savings and loan associations — the nation's main mortgage lenders. It also said the budget could not finance all the weapons systems now being developed "while also maintaining the present force structure with ade-

quate readiness and sustainability". The report said that the problem could be solved only by Congress and the President working together for many years, and insisted both sides must "promptly seize the initiative". Failure to do so would put at risk America's economic future and the new administration's ability to enact other policies.

The document, unusually strong and sweeping for a body that functions mainly as a bipartisan auditor of government spending, draws the same conclusions as those of all analysts and economists since the election. Its added pressure makes it more difficult for Mr Bush to delay doing a U-turn on coming into office, and means that his reversal will have to be spectacular

and politically damaging. Only five days before the election, Mr Bush was still setting his face against new taxes and promising not to curtail social security when he said: "We can grow, you don't have to cut overall, we can grow by \$100 billion in spending over the next five years and, if my economic model is correct, still get the deficit down."

Governor John Sununu, the incoming White House Chief of Staff, has said that Mr Bush is awaiting a "complete assessment" of the problem from Mr Brady. He said that the Bush team would begin drafting a fiscal plan immediately, but Mr Bush is not sure yet whether to submit his proposals early next year when Mr Reagan's final budget is sent to Congress, or to wait until

afterwards and offer his plan as a "correction".

Meanwhile, the President-elect has hinted at a quick break from the Reagan policies on Central America. Aides said they were preparing a new strategy placing less emphasis on military aid to the Nicaraguan Contra rebels and more on diplomacy. No immediate relaxation of US sanctions against Nicaragua is expected, but Mr Bush recognizes that Congress will not provide more military aid and will not request it, aides said at the weekend. Mr James Baker, the new Secretary of State, will work more closely than the Reagan Administration with Latin American nations to put pressure on the Sandinistas to allow elections and freedom of expression.



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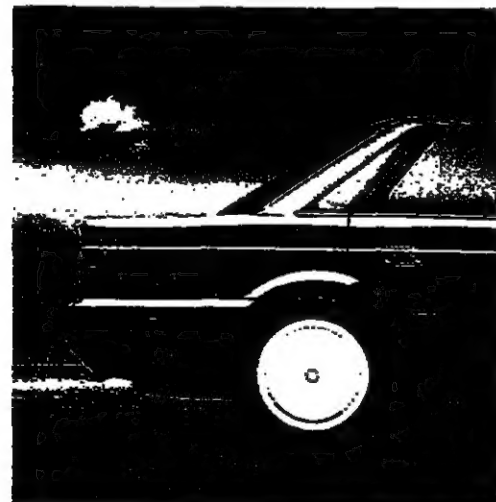
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## Egypt defies threat to Camp David and recognizes Palestine

From Christopher Walker, Cairo

Egypt yesterday defied high-level Israeli warnings about possible dangers to the Camp David peace treaty, and ended 72 hours of diplomatic confusion by issuing an unequivocal statement recognizing the Palestinian state proclaimed in Algiers.

The move by Egypt followed threats from Mr Shimon Peres, the Israeli Foreign Minister, and Mr Yitzhak Rabin, the Defence Minister, that recognition would jeopardize the 1978 Camp David accords.

These underpin Egyptian-Israeli ties and stipulate that the status of the occupied West Bank and Gaza Strip may only be changed by peace negotiations.

It was claimed in Western diplomatic circles that the so-called "cold peace" between Egypt and Israel would survive but that the treaty would have its substance eroded. Yesterday's announcement is certain to accelerate Egypt's rapid return to the Arab fold after years as a diplomatic pariah.

Egyptian disregard for Israeli sensibilities was displayed both by the timing of the announcement and the

information provided by President Mubarak that Mr Yasser Arafat, the chairman of the Palestine Liberation Organization, is soon expected back in Cairo for what will be his third working visit in two months. Jerusalem officials have strongly attacked his two previous trips.

The announcement came only hours after Israel's new Ambassador to Cairo, Mr Moshe Shamir, called on Mr Esmat Abdel-Meguid, the Egyptian Foreign Minister, to outline Israel's firm opposition to any such step.

The unsuccessful meeting was part of Israel's worldwide diplomatic offensive aimed at minimizing the number of governments willing to recognize the new state proclaimed by the Palestine National Council.

Even before Egypt's announcement, Palestinian morale was high as a result of the reception given to its proclamation and implicit recognition of Israel via acceptance of United Nations Resolution 242. More than 30 governments have recognized the new state. The PLO was particularly pleased with the reaction from Moscow, al-

though this specifically recognized the proclamation of the state rather than the state itself.

Instructions have now been issued to 93 PLO offices abroad, telling them to contact their host governments to push the recognition issue. PLO sources have noted with gratification, and some surprise, the positive line which they see Mrs Thatcher taking on the issue, in contrast to the response from the US, which they describe as "disappointing but predictable".

The wording of the Egyptian statement was seen as a clear message that President Mubarak is no longer trying to walk a tightrope between Israel and the US on one side, and the Palestinians on the other, apparently confident that the peace with Israel is strong enough to withstand open backing of a policy which the Israelis abhor. Mr Mubarak, who has already acted as the catalyst in forging a new moderate Arab axis of Egypt, Jordan, the PLO as led by Mr Arafat, and Iraq, indicated that further meetings of these leaders are planned as part of an initiative for an international peace conference.

## Papal welcome for Dubcek



The Pope greeting Mr Alexander Dubcek, the former Czechoslovak leader whose reforms were crushed by the Russians in 1968, as he arrived for a Vatican audience at the weekend.

## Thorny issue of China fails to mar Delhi talks

From Edward Gorman, Delhi

The 48-hour Indo-Soviet summit meeting, which ended yesterday with President Gorbachov's departure for Moscow, was to many observers long on symbolic gestures of continuing mutual support, but short on matters of substance.

This was best summed-up by an Indian Foreign Ministry spokesman who, when asked if there had been any issues over which Mr Gorbachov and Indian Prime Minister, Mr Rajiv Gandhi, had been unable to agree during the several sessions of talks, replied simply: "No".

He added that if there were any areas of disagreement, they had not been discussed. Clearly this meeting — overshadowed by Mr Gorbachov's problems back home — and by his unexpected decision to travel to New York and London next month, had been seen by both leaders mainly as a chance to reaffirm and strengthen existing ties between old allies.

For Mr Gandhi the second visit in two years by the Soviet leader also provided a much needed opportunity to enhance his stature at home in the run-up to the general election next year.

Perhaps the most important

item of interest — though unaccountably omitted from the joint summit statement issued last night — was China. Many Indians fear that improving Sino-Soviet relations could "dilute" the Moscow-Delhi axis and, compromise India's stand in its long-running border dispute with Peking.

Mr Gorbachov, in a speech on Saturday, stressed the importance of good relations between all three nations.

On the business front, several expected economic and agricultural agreements were signed, including an accord on building a Soviet-designed nuclear power station in southern India and an agreement on long-term co-operation for the exploration of outer space for peaceful purposes.

"Much emphasis was laid on attracting the private sector in India and inducing it to play a larger role in improving Indo-Soviet economic relations," the Indian Foreign Ministry spokesman said.

He said at least 55 individual economic projects had been given the go-ahead during the summit, and called Mr Gorbachov's visit fruitful. Bilateral ties were now at "qualitatively higher levels".

### Brazil municipal elections

## Triumph by left startles industry

From Mac Margolis, Rio de Janeiro

Senhora Luiza Erundina de Souza comes from one of the poorest towns in the Brazilian backlands, a place that almost no one has heard of and with a name that few can even pronounce. But the diminutive social worker from Uirama, in Paraíba state, startled the nation last week when she was elected mayor of São Paulo, South America's biggest metropolis.

Senhora Erundina's victory was made all the more impressive by the fact that she is from the left-wing Workers' Party, not from the plodding political elite of conservatives and moderates who have run Brazil's industrial centre for decades.

An unabashed Marxist, who cut her teeth as a social worker in wretched inner-city tenements and shanty towns, Senhora Erundina has become the symbol of a protest vote that swept Brazil in last Tuesday's elections.

Some 70 million voters went to the polls to elect mayors and city legislators in 4,300 towns and cities. Results show what opinion polls had been predicting for days — a crushing loss for candidates linked to the majority party and, especially, to President

José Sarney. Senhora Erundina convincingly beat Senhor Paulo Maluf, a conservative businessman, for São Paulo's mayoralty. The Workers' Party also won the important regional capitals of Porto Alegre and Vitória and several large cities in São Paulo state.

The new mayor of São Paulo has promised to care for the neediest people by building public housing and health clinics and legalizing the land titles of squatters. Many question whether she is up to the task that awaits her in a city of 11 million people.

She inherits a \$5 billion (£2.7 billion) budget, but nearly the same sum in debts left by the outgoing mayor. "I fear that the city's economic situation could quickly corrode her administration," said Senhor Bolívar Lamounier, a São Paulo political scientist.

Observers say that Senhora Erundina is a socialist, rather than a hard-line communist, with close links to Brazil's liberal Catholic clergy.

The jittery São Paulo business community is still trying to digest the stunning returns. When the first results were announced, the city's stock market dropped 6 per cent and the price of gold and US dollars soared. When Senhora Erundina told reporters she would defend poor squatters and recognize illegal shanty towns, worry spread among the city's construction moguls.

"She strikes me as an intelligent woman who measures her steps," said Senhor Sergio Mauad, president of an association of São Paulo property developers. "But let us remember she is a Marxist. In practice that means she espouses ideology that does not agree with the Brazilian spirit. We are going to have to learn as we go how to live together."



Senhora Erundina: Planning to help São Paulo's needy.

## Otelo hopes for Lisbon amnesty

From Martha de la Cal, Lisbon

Lieutenant-Colonel Otelo Saraiva de Carvalho, the most colourful and best-known hero of Portugal's armed forces revolution of April 25, 1974, who is serving an 18-year prison sentence after being convicted last year with more than 60 others of organizing and leading the FP-25 terrorist organization, is hoping for an amnesty.

The FP-25 was responsible for the deaths of 14 people — among them the director of prisons, industrialists, National Republican Guards and innocent bystanders during bank robberies and bombings between 1980 and 1986.

Otelo, as he is popularly known, still denies responsibility for the crimes committed by the FP-25.

A movement is campaigning in Portugal and abroad to obtain an amnesty for Otelo and for the others convicted with him, 46 of whom are serving their sentences in four different prisons, while Otelo is held in comfortable preventative detention at an army base near Tomar, 80 miles north of Lisbon.

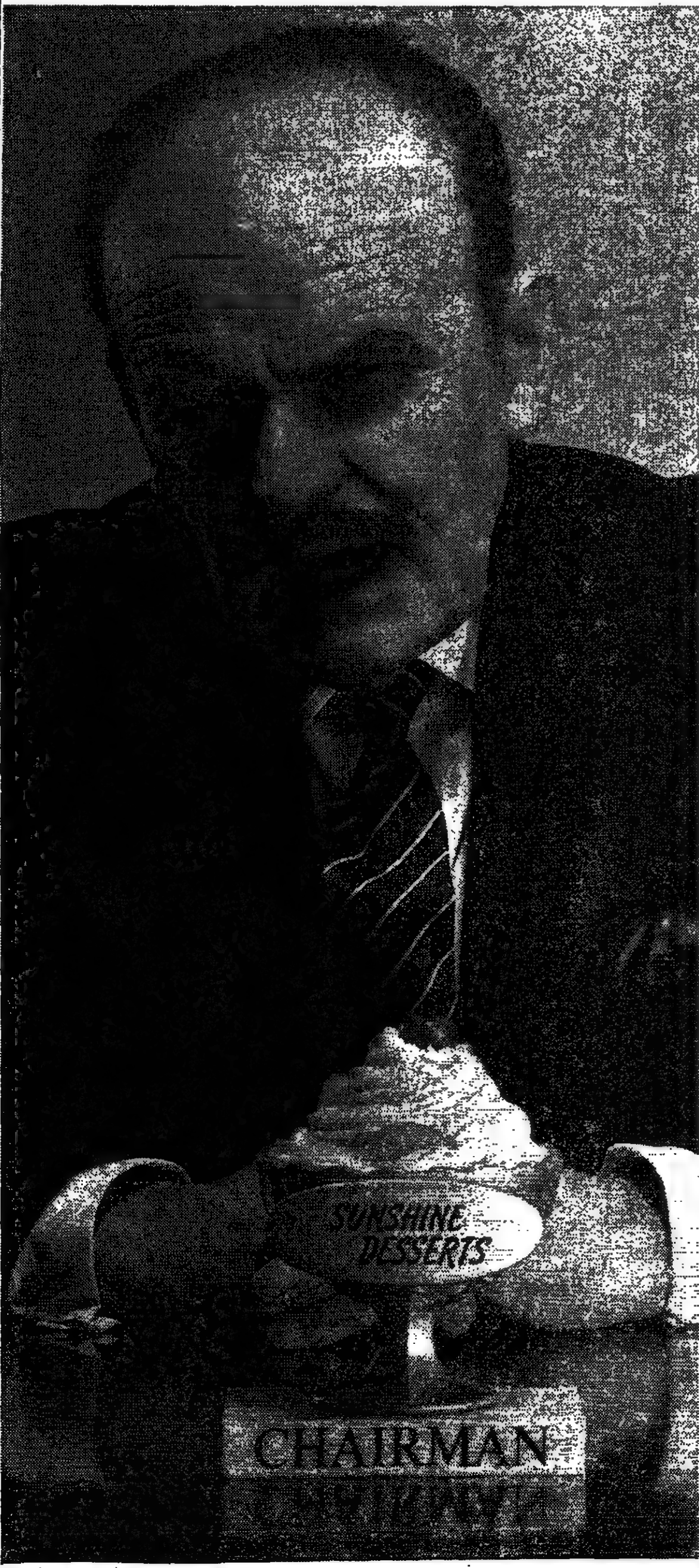
There is an appeal lodged against his sentence, and he has taken his case to the European Commission of Human Rights in Strasbourg, in

the first interview granted to English-speaking journalists since his arrest more than four years ago, Otelo told *The Times* that he believed he and others would receive an amnesty because "those in power in Portugal are very interested in putting an end as rapidly as possible to a situation that is an embarrassment and is extremely expensive".

Otelo attributed his arrest and conviction to "political pressure — especially by the political right wing and the Communist Party Central Committee — to remove him from the political scene."

He maintained that the Communists were instrumental in convicting him and pointed out that many Communist lawyers and magistrates were in key positions at his trial. Otelo earned the enmity of the Communists in 1977 when he ran for president and obtained 12 per cent of the vote — most from Communist Party members — against only 8 per cent for the Communist candidate.

Although Otelo received little support in Portugal until recently, he has a large international following as the best known of the "young captains" who overthrew the 48-year dictatorship.



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# Eleventh-hour comeback points to Mulroney poll win

From Christopher Thomas, Quebec City

Mr Brian Mulroney, the Canadian Prime Minister, enters today's general election with a clear chance of remaining in power, albeit almost certainly by a much reduced parliamentary majority, after staging a remarkable comeback in a string of new opinion polls.

Some surveys point to the possibility that he will find himself heading a minority government, which would have little chance of surviving long in an atmosphere of bitter divisions over a sweeping new free-trade agreement with the United States. Other polls show him capturing a slim overall majority.

Seven weeks ago, when the campaign began, Mr Mulroney had a commanding lead. But to everybody's astonishment, his Progressive Conservatives were quickly overtaken by the Liberals — a stunning feat for a demoralized, divided and nearly bankrupt party whose leader, Mr John Turner, has been under internal siege almost since the day he took over in 1984. His survival at the top is testimony to his fierce tenacity.

Whatever today's outcome, his powerful electoral performance has been a personal vindication. To the thunderous strains of *The Ride of the Valkyrie*, he has awakened a phlegmatic electorate to the momentous nature of the free-trade deal and its implications for sovereignty.

Campaigning with the banner "Crusade for Canada", he

stirred a Canadian nationalism that awakens but rarely, and then usually only briefly. As a result, Canada seems constantly to be drifting towards greater integration with the US, without any concerted, consistent attempt to stop it or even to direct it. In essence, that is what Mr Turner's campaign has been all about — trying to stir a sense of nationhood.

His passion and rousing oratory seem to have inspired only short-lived opposition to the trade pact. Opinion polls now show most Canadians supporting it, despite his warnings that powerful US business interests will storm over the border, further diluting Canadian individualism.

Canada is one of the least nationalistic countries. It was 64 years after Confederation before the Statute of Westminster in 1931 granted full self-government in foreign and domestic affairs. It did not choose its own flag until 1965. It still appealed to the British Parliament to amend its Constitution until 1982. And it retains the Queen as head of state.

Mr Turner, in a move clearly designed to try to awaken nationalist sentiment, fiercely attacked both Mrs Thatcher and President Reagan for praising the trade pact last week in Washington. "This is for Canadians to decide, not the British or Americans," he said. A host of other opposition politicians



A cheerful Mr Mulroney, flanked by his wife, Mila, at the steering wheel of his campaign bus, as polls suggested victory.

joined in a chorus of condemnation. But somehow it just did not make a lasting impact, demonstrating how difficult it is to rouse nationalist passions in Canada.

The Liberal leader has introduced a brand of political rhetoric unfamiliar to Cana-

adians this century — the rich against the poor, big business elites against the working class. And he has constantly sailed close to blatant anti-Americanism in his attempt to stir emotions.

By the middle of last week, he had crept ahead in the

polls. But by the weekend, he had slipped to 35 per cent in a Gallup poll, with the Progressive Conservatives receiving 40 per cent and the New Democrats 22 per cent. That could translate into a slim overall parliamentary majority for Mr Mulroney.

Coalitions are not a Canadian tradition, so if the Prime Minister were to fail to achieve an outright majority today, he would attempt to form a deal with the New Democrats, the smaller of the two opposition parties, to vote with him in the House of

Commons without actually sharing in the Government.

But they, too, oppose the trade pact. Mr Mulroney has repeatedly made it clear that he will not sacrifice the agreement in order to survive in power. Without some kind of deal, a minority government would probably not survive beyond a vote on its first budget. The Liberal-dominated Senate delayed the Free Trade Bill at Mr Turner's request until after the election. It was a daring move that might have backfired: using an unelected body to block something so profoundly important after it has been approved by the House of Commons is not frequent Canadian practice.

It was his sweetest political moment since taking over the party leadership from Mr Pierre Trudeau, the Prime Minister, only to be beaten at the polls by Mr Mulroney 10 weeks later.

The Conservative leader was visibly stunned when the free-trade issue burst onto the election scene in two acrimonious national television debates, totally overwhelming his party's main agenda — continued prosperity, more day care, and the purchase of nuclear submarines.

Mr Turner says that opposition to the trade pact is "the fight of my life". With his wife Geills and daughter Elizabeth at his side, and a suddenly united party behind him, he has inspired respect for enduring exorcising pain from a pinched nerve in his back.

He has limped into every campaign rally, his face sometimes screwed up as sweat poured down his face. He has stood in blinding rain and slashing winds, later slumping painfully into his car where aides stuffed pillows behind him.

Mr Turner — a Rhodes Scholar, a member of the Commons for a total of 18 years, a former Cabinet minister, and an extremely well-to-do former partner in one of Toronto's top law firms — suddenly became anti-business as he warned the working classes that the trade pact threatened their jobs.

He bitterly attacked "Brian's boys" — the leading Canadian businessmen who support the agreement, and who not so long ago counted Mr Turner as one of them. The swift metamorphosis has hardly been convincing.

Canadians are worried about the way he has conducted himself as Liberal leader. In many ways, he has been disastrous, demonstrably failing to provide effective day-to-day opposition in the Commons.

A deep sense of hopelessness and despair has long pervaded the Liberals, leading many people to wonder if they would be overtaken by the New Democrats as the official opposition. Judging by the latest polls, that clearly is not going to happen. And Mr Turner may at last be free of conspiracies to oust him.

Leading article, page 17

## Yen rise fuels resentment

### Japanese yearn for the good life

From Joe Joseph, Tokyo

The Japanese have uncommon reserves of patience and take much in their stride. But they are finally getting fed up with belonging to the world's second-richest nation yet living at a level that makes many, much poorer, foreigners gawp in astonishment.

The Government is in a flap: what might all this meaning mean for the usually unruffled Japanese?

A report on living standards published by the Japanese Government yesterday told the people what they already knew: soaring land values and share prices are creating a gulf between rich and poor in Japan and deepening feelings of resentment within a nation.

● A round of golf is as fanciful as a weekend in Venice ●

that likes to think and act as one.

Japanese are still relatively rich. But the Government fears that the growing disparity in income and assets between the well-off and the area better-off will foster feelings of injustice — common enough in most other nations but regarded as risky as rabies in Japan.

Yesterday's 1988 *White Paper on National Life*, compiled by Japan's Economic Planning Agency, said the Japanese were growing more unhappy with their long working hours, brief holidays, high cost of living and the shortage of parks, athletic grounds and other recreational facilities they come across in their foreign travels.

A Sunday stroll in the country is often as crowded — if more well-mannered — than Twickenham during the Calcutta Cup. For most golf-obsessed Japanese office workers, playing a round of golf is as fanciful and expensive as flying to Venice for the weekend.

Also, as more and more Japanese travel abroad, more and more of them are realizing that they are not enjoying the full benefits of the yen's strength against other currencies.

Not only have foreign products not shrunk in price, Japanese cameras and videos

are usually cheaper abroad than in Japan.

Increasing income disparities depress the Japanese not only because they cannot afford things that Americans, Britons or Italians take for granted, but because they are creating new class divisions in a compact society, one in which the majority thinks of itself as middle class, middle income and middle-of-the-road.

The fear of being no longer part of the crowd is, for the Japanese, almost as uncomfortable as facing up to the fact that those of them not on the property ladder probably have little chance of ever owning their own home.

No number of 21st Century electronic gadgets — all of which the Japanese buy in huge numbers, only to discard in favour of a newer model a year later — compensates for the daunting challenge of trying to raise finance for a home.

The Government report put the average value of property per household in the Tokyo area last year at 86 million yen — about £400,000. Office workers who do not want to spend a quarter of their waking hours dangling from a train strap would need to think of spending at least half as much again for what would still be a modest flat in a modest neighbourhood.

Some take the plunge and land themselves, and their grandchildren too, with a mortgage that would make

● Some mortgages would make most Europeans faint ●

most Europeans faint. Most just give up the fight.

The Government detects a shift in Japan's priorities. Quality of life is becoming more important than quantity of consumption, mental satisfaction more valuable than material affluence.

The message has already reached Mr Noboru Takeshita, the Prime Minister. After having spent his first year in office struggling to overhaul Japan's rusty tax system, Mr Takeshita plans to spend his second trying to improve the quality of Japanese life and revitalize provincial areas.

## Gulf PoW exchange

Baghdad (Reuters) — Red Cross officials began preparations in Iraq and Iran yesterday to exchange more than 1,500 sick or disabled prisoners captured in the Gulf War. Prisoners at camps in the two countries were inspected to ensure they could be repatriated later in the week.

### Sikhs killed

Chandigarh (Reuters) — Security forces killed at least five Sikh extremists of the Khalistan Commando Force in a fierce gun battle near Amritsar.

### Arms mission

Peking (Reuters) — General Chavalit Yongchaiyudh, Thailand's armed forces commander, is to visit China to cement military ties between the two countries and arrange for more Chinese arms purchases.

### Shanties blaze

Dhaka — A fire burned down a sprawling shantytown in Dhaka's northern Mirpur suburb. About 50,000 people were made homeless in the blaze, and 37 others injured.

### Envoy quits

Peking (Reuters) — Mr Kim Pyong Il, the son of President Kim Il Sung of North Korea, has stepped down as his country's ambassador to Hungary, which is opening a permanent mission in South Korea.

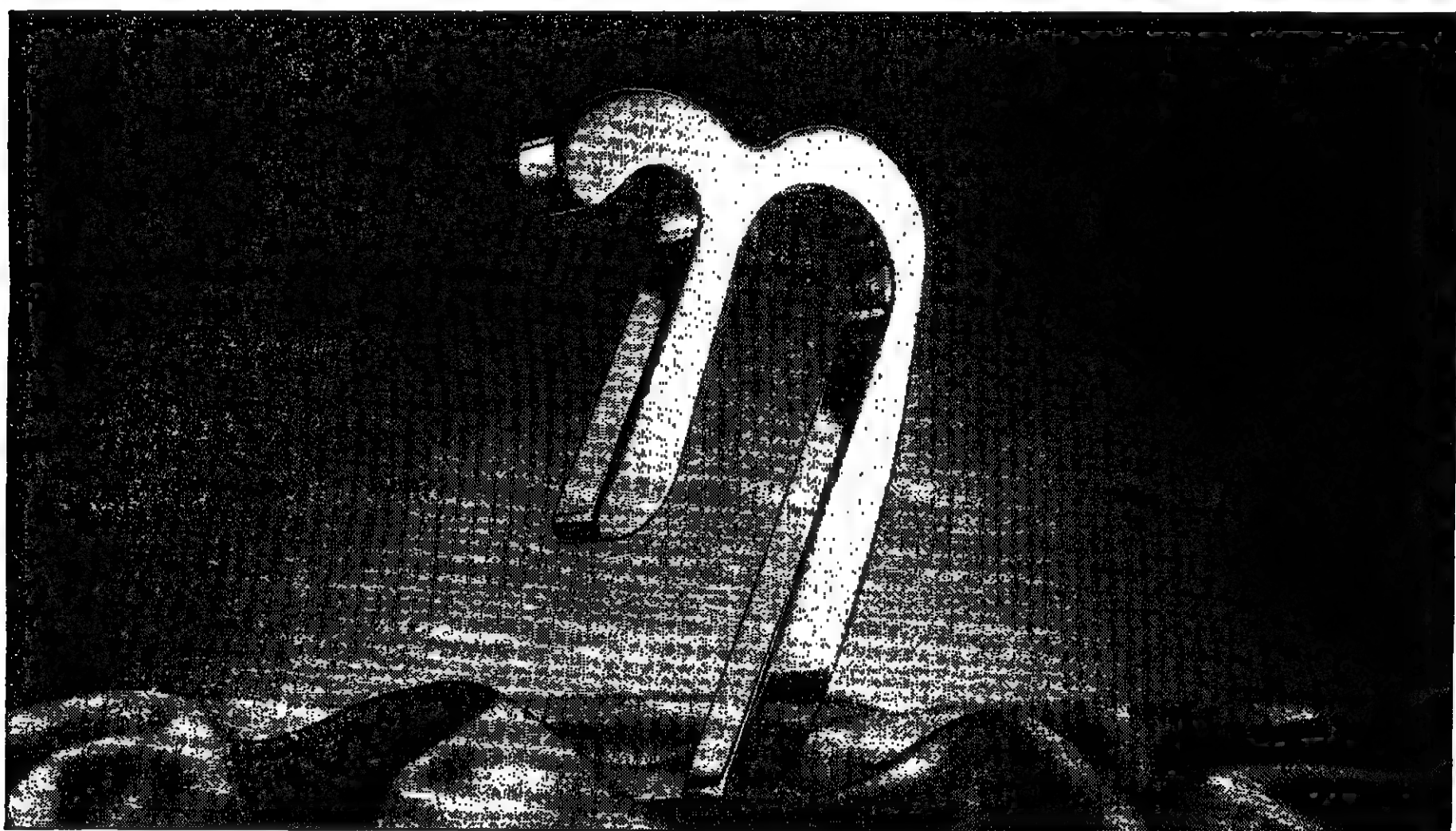
### More blood

Tokyo (Reuters) — Emperor Hirohito of Japan slept quietly yesterday as he was given a 200cc blood transfusion, a palace spokesman said.

### Stars wed

Los Angeles (AP) — Corbin Bernsen, who plays the shrewd divorce lawyer on *L.A. Law*, has married the British actress Amanda Pays, of *Max Headroom* fame in a private ceremony.

## IT'S WORTH OVER £8 MILLION



This year, twenty-six UK companies have saved at least £8 million by switching to electricity, with an average payback of seventeen months.

These companies are the regional winners in the PEP (Power for Efficiency and Productivity) Awards — the Electricity Supply Industry's way of recognising companies that have reaped major benefits by making more effective use of energy.

Special congratulations go to this year's two national award winners:

SimpleGrow Ltd

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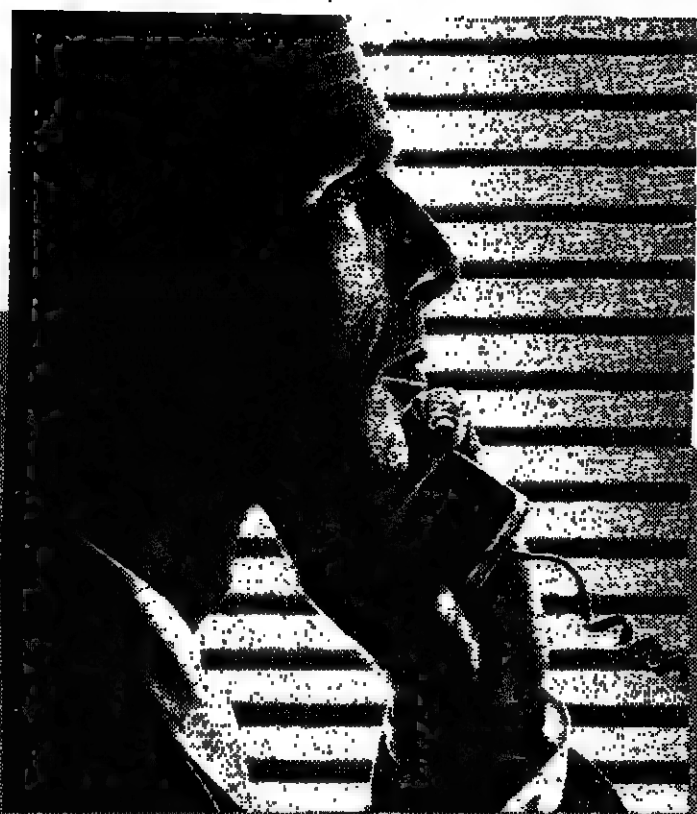
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## SPECTRUM

## Taking a shot at survival

In Zimbabwe conservationists are encouraging the return of the white hunter.

Alan Hamilton reports from Africa

There is a new and rather startling message from those good people who saved the Bengal tiger and the black rhino, and taught us to love the cuddly panda. As messages go, it will take some swallowing by the seal-protecting, bunny-hugging animal lovers of white middle-class Europe. It is simply this: if you want to save a species then it is perfectly all right, sometimes even necessary, to hunt it, shoot it, eat it, wear it and hang its horns on the living-room wall.

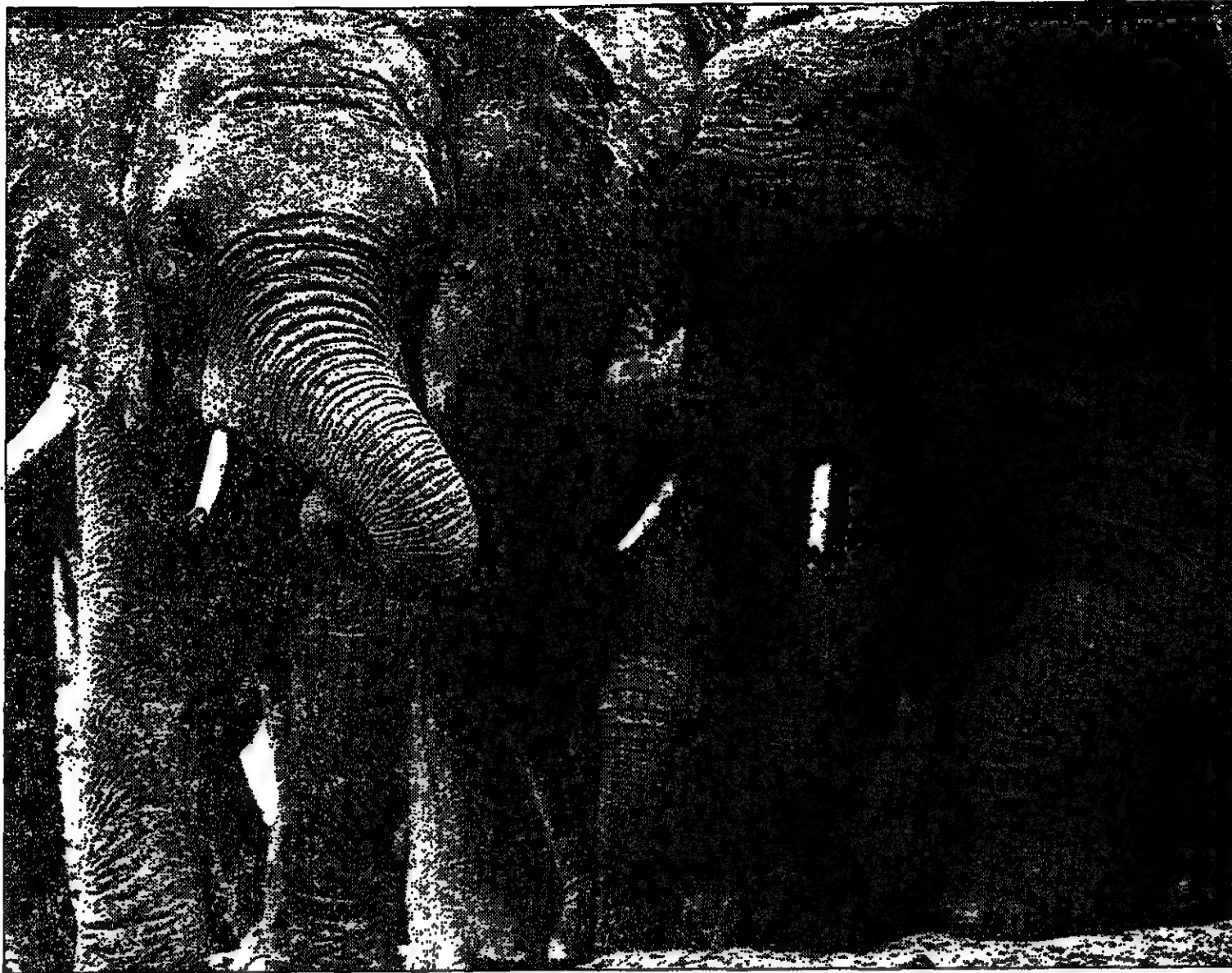
Needless to say, the species in most need of saving is man. The World Wildlife Fund, which has renamed itself the Worldwide Fund for Nature in forced recognition of the fact that it is pointless to try and save God's creatures unless you save their environment, is engaged in a project in Africa aimed at giving man the farmer a nudge back down the evolutionary ladder towards man the hunter.

Man's crisis is greatest in Africa, already decimated by famine. Twenty-five years ago the continent was self-sufficient in food; today 100 million Africans — one mouth in five — are kept alive on grain from abroad. In 15 years the percentage of Africans living in poverty has risen from 82 to 91. And the continent has the highest population growth of any major region in the history of the world.

This is against a background of declining food supply as more of the continent slips into the vicious circle of land exhaustion through overuse. Tree cover is being stripped: the average African consumes a ton of wood a year for building and cooking, and for every 29 trees cut down only one is planted. And there are too many cattle overgrazing the land. The result is that in sub-Saharan Africa, an area the size of the United States is under immediate threat of deteriorating into desert.

Cattle eat only grass and on infertile marginal land they destroy it. They need large amounts of water and are prone to disease. It has long been believed that land and people would be much better sustained if they relied instead on their abundant indigenous wildlife. There is an awful lot of protein on the hoof out there, but precious little information on how best to handle it.

In a five-year, £1.7 million project in Zimbabwe, partly funded by the British Overseas Development Administration, the Worldwide Fund for Nature is trying to establish a few facts. How many of each species will the land sustain and how many can be offered to the white hunters each year without endangering the population? How much will managed wildlife bring, in both food and hard cash, to the



Too much of a good thing? There are an estimated 50,000 elephants in Zimbabwe, but game managers would like their number reduced to 34,000

palms of people who live in the shadow of starvation?

What the fund already accepts is that wildlife cannot live on charity forever. The former orthodoxy of fencing off large areas as national parks (which in Zimbabwe account for 13 per cent of the total land area) to preserve wild animals while keeping out grazing cattle and farmers, is beginning to look like too much of a luxury in a continent hungry for land and food.

The fund is much encouraged by the experience of Peter Seymour-Smith, a farmer of the old white colonial school who runs the Iwaba wildlife ranch in the high midlands of Zimbabwe, 25,000 acres surrounded by 40 miles of electric fence powered by solar panels. He bought it in 1960 as a tobacco farm and turned it over to 2,500 head of cattle. But he soon saw how the cattle were turning the land to arid dust.

Thirteen years ago he sold his last cow and has restocked the land with impala, wildebeest, zebra, warthog and, most recently, six elephants. He also keeps 26 black and white rhino, tranquilized and transported from their former home near the Zambian border, where they were at particular risk from poachers.

Spaniards, West Germans, Italians and Americans pay handsomely for safaris on Iwaba to take 70 animals a year from the total stock of 4,000. After the meat and skins have been sold, Seymour-Smith calculates that one kilogram of

If you want to save a species then it is perfectly all right to hunt it, shoot it, eat it, wear it and hang its horns on the living-room wall

wildlife produces three times the value of one kilogram of cattle.

It is a myth that all species are endangered. Zimbabwe's elephant population, at 50,000 and growing, is thought to be too big and the game managers would like it reduced to 34,000 to prevent it eating itself out of house and home. Throughout Africa, however, elephants are being reduced by ivory poachers at 20 per cent a year.

Not so other species: wildebeest and most of the commoner antelope, left to themselves, will increase by 20 per cent a year, and the leopard is a particularly vigorous species with an African population of 750,000.

Commercial farmers are one thing; the local population living on

marginal land teetering on the edge of uselessness is another. Cattle are almost the only visible source of personal wealth.

Norman Reynolds, former chief economist to the Zimbabwe government, voiced strong reservations about this year's scheme, largely funded by the EEC — which takes 8,000 tons of the country's beef each year — to eradicate tsetse fly from a large area of northern Zimbabwe. His disquiet is not just because of the white trails of deadly DDT powder which still litter the countryside. Now that the area is clean of the pest which decimates cattle herds, there is great pressure from the local people to reintroduce cattle on to land already starved of vegetation.

"It was not thought through," Reynolds said. "Bringing in cattle could in the end prove disastrous to the region. The EEC only listened to the vets and not many people call out a vet to an impala, do they?"

Chief Nebiri, headman to 18,000 people in the dry Omay region in the hills above Lake Kariba, stirred himself from his afternoon slumber on the dusty earth, where scrawny chickens and skeletal dogs pecked in vain for morsels, to deliver mixed feelings about wildlife in general and elephants in particular.

Yes, income from wildlife had already brought benefits, helping to build schools and clinics offering basic medical aid. But what he wanted was fences around his people's crops to keep the elephants

out. If he could have fences, he would be all in favour of wildlife rather than the cattle he could now keep in his tsetse-free region.

Preliminary studies by the World-wide Fund for Nature offer hope; it reckons that one particular community of 60 families in the Omay region, which earns the equivalent of £175 per household a year from growing cotton and needs food aid, could increase that income to £500 by sensibly exploiting its wildlife, and thereby become self-sufficient.

David Cumming, the fund's project director in Zimbabwe, believes that too much of the development thrust in Africa has been towards more intensive agriculture, often on poor soils which cannot sustain it. "The moment you break the surface of the soil, you begin to close your options. Developing the wildlife resource in a controlled way means you keep all your options open until you find something better."

Chief Nebiri is proud of his clinics and his schools, and would be partial to warthog for supper. But he knows you cannot hitch an impala to a plough, far less milk a wildebeest. He still needs to be fully convinced that the communal resource of wild animals is more valuable than the private wealth of domestic ones. Socialism is fighting Thatcherism on the grasslands of Africa; in this case, the new realists of game conservation believe, socialism needs to win.

## The celebrity solution

One of the many perks of a literary editor is to be able to issue lists of the six or seven most esoteric or expensive books that have come his way — *A Century of Frogs' Spawn*, *The Least Readable Poems of William Burroughs*, *The Man Who Never Wrote a Thing: a Biography of the World's Least Productive Author*, *The Oxford Book of Mildly Depressing Short Stories*, *The Future Lies Ahead: the Collected Essays of David Owen* — all under the general heading of Recommended Reading.

No one with a sense of humour would wish these lists to come to an end, but anyone who has visited a bookshop in the last few years will have noticed that these recommended books tend to be overshadowed by great mountains of books by celebrities. Celebrity joke books abound, generally under pithy titles such as *Life's a Bit of a Lark* or *Cheerio*, *Maieys* or some other well-known catchphrase from a long-running comedy series.

Comic actresses seem particularly big news this year, with only a tiny smattering of book jackets failing to bear the face of Miss Maureen Lipman, invariably beaming from underneath a chamber pot, or a roll of loo paper, or some other object of mirth.

The Celebrity Hobby market was going strong until Mr Edward Heath claimed such vast slices for himself — music, abroad, sport, and so on — that other celebrities were driven into ever more peculiar areas, such as origami, cake-baking and home improvements, only to find that Miss Jane Asher had generally got there already.

The Celebrity Hobby book was soon supplanted by the Celebrity County book. Publishers awarded a given celebrity the ownership of a particular part of the country — James Herriot's Yorkshire, David Steel's Border Country, Hammond Innes's East Anglia — guessing that anyone who didn't like the celebrity might like the area, and vice versa.

But there is only so much land available for authorial colonization and now that celebrities have become greedy in their claims — *David Gentleman's England*, *Terence Conran's France*, *Peter Ustinov's Russia*, and this Christmas, *Terry Wogan's Ireland* — there is precious little country left for other celebrities to call their own. This is likely to provoke one of the greatest crises in post-war publishing, particularly in light of the publication of *Craig Brown's Solar System* early in the new year.

At an emergency conference called last week, between the Celebrities' Guild and the Publishers' Association, it was agreed to solve this problem by concentrating on those areas of the country which have been previously overlooked as too dingy and lacking in glamour. "Linked



CRAIG BROWN

with the name of a local celebrity, even the dreariest city can sell copies," suggests a leading expert.

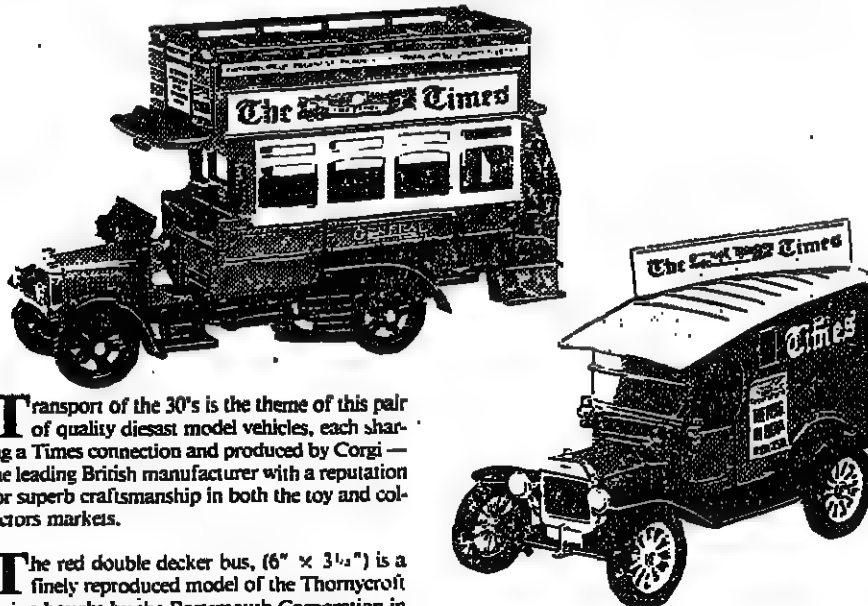
Following her highly successful book on the treasures of Chatsworth, the Duchess of Devonshire has been signed up to write *The Duchess of Devonshire's Sheffield*, while Prince Andrew, whose family hails from nearby Windsor, has been commissioned to prepare a photographic essay for *Prince Andrew's Slough*. "We feel that his out-of-focus and misaimed shots will be perfect for capturing the attractions of the town," say the publishers.

Other books scheduled for publication include *Major Ronald Ferguson's Boringstoke*, *Roy Hattersley's Spaghetti Junction*, *Salman Rushdie's West Kensington* and *Lord Forte's M1*. The *Road to Wigan Pier* will be reissued as *George Orwell's Wigan*. "We've given it some classy colour photos," explain the book's publishers, "and gently dusted it up, stressing the fun, glam side of Wigan."

Last week, the BBC held an important conference on. Impartially, the minutes of which have fallen into the hands of this column. While acknowledging that the Chairman was probably right in saying what he had said, and defending to the end, or nearly to the end, his right to say it, the Director General argued, no, he'd prefer not to use that term, let's just say "suggested", that he also recognized the other point of view, while agreeing that there was much to be said for the middle ground.

In reply, well, really might be putting it too strongly, let's just say "in a remark following the previous remark", the Governor thought for a few minutes before coming to some sort of conclusion that there were good points to be made in both directions, while the Chairman, summed up by saying he had not intended to express an opinion, but had merely been floating an idea, and that he perfectly well saw that the Director General, in arguing for impartiality, had been offering a correct version of events, though obviously some would perhaps argue the other way, and they would probably have an equal amount of right on their side.

## THE TIMES SELECTION OF CORGI COLLECTIBLES



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The Polytechnic of Wales's recent proposal to introduce psychometric testing throughout its departments has caused an uproar among the 5,000 students, who are concerned at the possible implications. "If we could actually find out what it entails, perhaps it wouldn't be so sinister," explains 21-year-old Anna Thomas, president of the students' union.

The polytechnic, which has a technological and business bias, is one of the first colleges of higher education which intends to use the tests for "self and peer-assessment to involve the students much more in their learning. The essence of the test is not for us to evaluate or score them, but for them to have a view of themselves," says Dick Lewis, the assistant director.

While psychometric tests — written tests aimed at assessing intelligence, specific abilities and personality — are widely used in industry, primarily as a means of staff recruitment, their value as an academic tool is the subject of fierce debate. Professor Sheila Wolfendale, an educational psychologist at the North East London Polytechnic, says she would be "amazed and rather appalled" to discover that such tests were being used to assess students' ability.

Wolfendale uses psychometric testing in her one-year postgraduate Master of Science course but stresses that it should be used "only where appropriate and in conjunction with other forms of assessment [for example, interview]".

Wolfendale's attitude is not shared by Peter Henderson, lecturer in psychology at Queen's University, Belfast, who is currently conducting a research project into the effectiveness of psychometric testing on graduate law students.

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## Test pilot

Should plans to use psychometric testing on students cause alarm?

"We have discovered that psychological tests are better able to predict final examination results than law school entrance examinations," says Henderson, who claims an 80 per cent accuracy rate among the 120 students he has tested.

Henderson dates psychological testing in Britain back to the assessment centres devised

by the army during the Second World War and then adopted by the Civil Service.

Saville and Holdsworth, the largest of a couple of dozen developers of occupational tests in Britain, supply tests to "most of the major organizations in the United Kingdom and all over the world", according to director Bill Mabey. Like most aptitude tests, these tests vary from verbal reasoning and clerical checking to spatial and mechanical tests. Their customers include BP, National Westminster Bank, Marks & Spencer, British Airways and 170 Japanese companies.

British Airways, for example, uses the test in conjunction with interviews, on around 25,000 pilots, cabin crew, engineers, computer operators and graduate trainees a year.

Mabey believes that the test should always be used in conjunction with a face-to-face

interview, a view supported by Dr Donald McLeod, chairman of the Tests' Standards Steering Committee, which was formed last year. Dr McLeod acknowledges that the tests provide scope for misuse "and there is a fair amount of lively debate about the quality of some of the tests around".

Dr Chris Brotherton, an occupational psychologist and a member of the steering committee, estimates that there are more than 20,000 different kinds of psychometric tests in the world and "probably 500 to 600" in use in Britain. "You have to realize that the tests are based on statistical estimates of one's ability and intelligence but most of what you're seeing is a probability estimate. It has to be done by professional people. They're not like doing questionnaires in the back of *Reader's Digest*."

Sally Brompton

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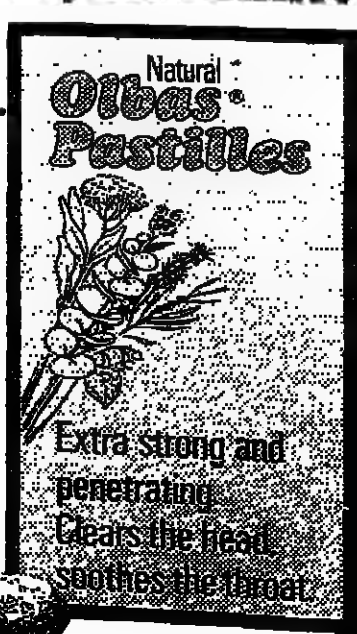
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# TIMES DIARY

CLEMENT FREUD

There is a story of a man who lived beside the mainline railway track — and one night, when the London-Glasgow express had for some reason been cancelled, he awoke at 2.48 and said: "What was that?"

I felt like that on Thursday, for Thursdays are the days on which the *Punch* article I sent them on the previous Monday comes to me in proof form for correction... and it didn't. I phoned *Punch*; they said: "Last year we spent £62,000 sending proofs to authors and as we are losing money we have stopped the practice."

I have a deal with the last-editor-but-four agreeing to let me check my pieces. I told the man. So that's off, he said and put the phone down. So that is £73,000 they saved in one day, give it until Wednesday week and they will be running at a profit... though exactly what it is that will be running at a profit is hard to predict.

Sorrow at the sudden severing of a 30-year relationship is tinged with a modicum of relief at the diminution of my workload — and yet, like the Ancient Mariner I had got attached to the albatross; unlike the old sailor it was the bird that shot the man. I note from the media pages that *Punch* is advertising for an editor. "The successful candidate will be in the 30/40 age range," S. Reynolds, the temporary incumbent, is 58. That should make him feel a lot better.

I am beginning to get to grips with my new Ambassador telephone system — like I now realize they have given me the 10, not the Super 10 which appears to have all the best features mentioned in the instruction book. The main problem with my model is that it does not ring, but if you are close you can see the lights flash (if you had a Super 10 there would be a loud-speaker). Useful information is contained in the manual: for instance, "Making an internal call: if the light for the extension you want to call is on, showing that the extension is in use... make the call in the normal way. You will hear the internal engaged tone." In the section Answering Calls there is the excellent advice: "You can choose not to answer the call." Many people would not have thought of that, and under Holding a Call I like: "Tell your caller what you are going to do..."

What we did last Tuesday was to see Mickey Rooney at the Savoy Theatre in *Rogues' Gallery* — I mean he's a legend: *Boys' Town*, *National Velvet*... might not forgive ourselves if we missed what could be the last opportunity of witnessing a live performance. The box office said, yes, they had tickets for that evening's show: upper circle £14.50, circle £19, stalls £22. During the first act a Teutonic gorilla in the seat behind me kneeled me in the back, changing knees every 40 seconds or so; I don't know which of us had less fun. The programme which undertakes to sell £1 was heavy on advertising and omitted the item of information which caused most people to buy it: Mr Rooney's age. He is small and plump and bald and wondrously mobile and the cast seemed to enjoy the first act more than the audience. It is now generally recognized that a night out in the West End does not leave you with much change from £100. This is especially true if you get to the restaurant at 9.15pm. I hope the gorilla stayed for the second act.

BARRY FANTONI



'Kevin Hislop, Keble, reading history and a list of local loan sharks'

At the southern end of Greek Street in Soho is a patisserie called Bertaux which has long produced some of the very best croissants in London: they are baked in batches which come into the shop at hourly intervals, and if fortune smiles upon you, crisp warm croissants can be munched within minutes of their egress from the oven, which is the way to achieve maximum mid-morning contentment. I stopped going to Bertaux some years ago, not because of any deterioration in the quality of the goods but because the lady behind the counter wore Dr Scholl sandals. I hate Dr Scholl sandals — have always felt that if there is something wrong with someone's feet it should be a confidential matter: the overt therapy of pedicure defects is to me unbecomingly to the enjoyment of food and drink. In a recent take-over that failed to make the City columns of our national press, the nice girl who used to help out has become the new proprietress. She wears acceptable footwear, the goods on offer have retained their excellence and you can munch patisserie with tea or coffee or chocolate at one of the three small round smoking tables opposite the counter or ascend to the altogether more worldly upstairs cafeteria. Perhaps the most revolutionary change is that the important message "Service is not included" is now stamped on every bill when it used to be written out in longhand; as a consequence you see a lot more of the waitress.

My new book is published on Thursday. It is called *No-one Else Has Claimed* — and is a manual and guide for restaurant customers explaining in some detail the mystique of dining out in Britain and how to defeat the villains who put on funny accents and naughty manners. I mention this in order to keep you informed, lest you should encounter the £6.95 volume in a bookshop and desert from purchase, thinking it might have been written by some other Clement Freud.

How much time is left before Hungary's balancing act between economic crisis, political pressure from below and the dynamics of nationalism ends in uncontrollable turmoil, calling into question the single-party system itself?

Six months after the political earthquake which destroyed the remnants of the "social contract", forged by Janos Kadar after the crushing of the October 1956 revolution, and led to the emergence of a new leadership under Karoly Grosz, Hungary is in deep trouble.

Important Communist Party and government leadership reshuffles are expected this week, including the naming of a new prime minister. The edited accounts of the last three Central Committee meetings and rumours about Byzantine intrigues in the "White House", as the party headquarters on the banks of the Danube is called, indicate an increasingly public struggle over the pace and scope of economic reform and even over political power itself.

Grosz, at 58, is undoubtedly the most gifted communicator and the most adroit propagandist in modern Hungarian history. The unusually positive echo of his frequent foreign trips

Paul Lendvai on Hungary as it prepares to appoint a new prime minister

## Economics on the tightrope

In the Western media shows this. Yet it is still too early to say whether this erstwhile printer and professional party functionary since the age of 19 will be a man of imaginative and daring solutions or caretaker of a minimalist strategy. Grosz himself has not yet stated unequivocally, and perhaps does not even know, how far the political and economic reforms can go.

Consider the events since this summer. Despite the improvement in Hungary's terms of trade, a good harvest and higher prices for its farm products in the West, three out of four Hungarians said in a recent opinion poll that the economic situation today was worse than a year ago. The annual inflation rate was estimated to be at least 22 per cent, as against the originally projected 16 per cent.

No wonder that the proportion who regard the term "crisis" as appropriate to describe the

economic situation has risen from 29 per cent at the beginning of the year to 42 per cent of those polled in September.

The point is, however, that the 10,6 million Hungarians still live beyond their means and, despite the 18 to 20 per cent drop in real wages since 1978-80, they will have to tighten their belts further in the years to come. The Grosz government promised in September 1987 that the inflation rate would be reduced to 8-9 per cent in 1989 and to 6 per cent in 1990. Now, however, it is officially reckoned that inflation next year will be "at least 14-15 per cent", while economists predict a rate of 25 per cent.

Instead of guaranteed full employment and social security, the reassignment of industrial capacity and closure of un-economic plants will mean, at very least, unemployment of 80,000 to 100,000 per annum.

The real Hungarian economic

miracle is that the everyday life of most families has not worsened as much as the overall economic situation.

The rising social tension and the possibility of mass strikes must be seen in against the background that one Hungarian in four lives at or below what is called the "social minimum". Without an adequate welfare system, the deteriorating living standards of large families and pensioners (more than two million people), as well as of young intellectuals, could have politically explosive consequences.

The Grosz leadership has to decide very soon what it means by "socialist pluralism". It is open to doubt whether a managerial-style government which tolerates only ineffectual or carefully controlled dissent will suffice to persuade Hungarians to accept the sacrifices needed to turn around their ailing econ-

omy. Hungary has the highest per capita Western debt in Eastern Europe.

The foundations of the system are subverted by the reforms needed to cure structural economic ills. How can you be pluralistic without sharing effective power? How can you co-opt the burgeoning opposition movements without losing the monopoly of power?

The Rubicon is the introduction of a multi-party system. This has to be crossed, perhaps by means of a referendum, in a year to 18 months. According to one political scientist, Mihaly Bihari, intra-party factions might be allowed under the banner of "freedom of platforms", but this would be no more than a temporary palliative.

The most daring member of the present leadership, Imre Pozsgay, is in theory in favour of a multi-party system. In practice, however, he sees the need for a

"social consensus" to avoid any loss of political stability.

Despite the statement ten days ago that independent groups would be able to operate in Hungary, the freedom to shift power from the party to authentic political institutions is limited both for internal reasons (fear of losing the monopoly of power) and for external reasons (the Kremlin's fear of losing Hungary). Despite radical rhetoric, unprecedented freedom of movement and discussion, changes in Hungary, as elsewhere in Eastern Europe, are reversible as long as the one-party system exists.

Politics in Hungary after decades of de-politicization have again become interesting, even fascinating. A Politburo member, Keszto Myers, even abstained at the crucial vote in Parliament on the controversial Danube power plant project. Everything is in flux — but nothing is really moving forward. The outlook is for more turbulence, with unpredictable consequences for Hungary and for East-West relations.

The author is a Hungarian-born Austrian political writer. His latest book *Hungary — The Art of Survival* has just been published by J. B. Tauris.

Bernard Levin

## The lost torch of youth

We all know where we were when President Kennedy was shot. I think it is time we wondered where we would be if he hadn't been.

Well, in the first place we would not be bracing ourselves for yet another deluge of rubbish demonstrating that he was killed not by Lee Harvey Oswald but in a conspiracy organized by the Mersey Docks and Harbour Board under the direction of the Pope. There are many reasons why I wish he had not died that day in Dallas, all of them much more important, but the products of the "Who killed Kennedy?" industry constitute one of the most depressing.

Kennedy's posthumous reputation has undergone an extraordinary series of metamorphoses. As could have been predicted, the first revaluation of his character and achievement was almost as depressing as his *histrionic* *amoureux* was being touted around before the first blade of grass had grown on his grave, and fairly soon every where in America was announcing that he had enjoyed her favours. (A few even had books written for them to that end, by what may be called secondary whorls.)

These revelations did his memory a disservice but no harm; most were too obviously mendacious and self-seeking to be taken seriously, and the rest were greeted, if at all, with a shrug. The next use of Kennedy's brief ascendancy was as a club with which to belabour Lyndon Johnson. When Camelot was pulled down and a more honest White House built on its ruins, the intellectual *beau monde* took offence, particularly when Johnson made clear that he had little need for them, whereupon they rallied round Kennedy's brother Robert until he was shot — by a conspiracy, of course. The indignation engendered in them by Johnson's own Presidency was such that Nixon managed to win two Presidential elections while they were still seething, but that didn't matter, as Nixon was beyond the pale for them anyway.

Then, subtly, the image of John Kennedy began to change in itself, rather than in relation to a rival totem. Think back to the hopes engendered by his brief presidency, starting with his inaugural address, in which he declared that "the torch has passed to a new generation", and made clear that that generation saw the world through younger and less tradition-clouded eyes. Remember his pledge to "pay any price, bear any burden" in support to his fellow Americans to ask what they could do for their country, not what their country could do for them. Call to mind the last important speech he made, the *venue* — Berlin — shortly to become, when the shots rang out in Dallas, retrospectively symbolic, standing as it did on the frontier between East and West. Hear again his cry "Ich bin ein Berliner", which summed up both the pledge and the appeal.

And none so poor to do it reverence. What happened? Surely something did, for that portrait of Kennedy can hardly be recognized from the version we have today. He is now widely thought of, when he is thought of at all, as either an earlier model of President Carter, all goodwill and muddle, or a belligerent adventurer likely to follow the Bay of Pigs fiasco with an unprovoked nuclear strike on Moscow. Was it all show and froth, good looks and rhetoric?

I do not believe it. In the first place, Kennedy was not a liberal in the Carter mode (let alone the Dukakis version); it would almost be closer to the reality to say that he was a liberal in the sense of the Manchester School. Remember that he was a Boston Irishman; remember, also, to what lengths he went to get the crown.

He should be classified with the toughs like Nixon and Johnson and Thatcher, instead of the romantics like Stevenson and Reagan and Foot. But he was a Manchester liberal and a Boston tough with a vision, and the strength which had carried him to the White House was deployed with a steely, measured calm in the Cuba missile crisis of



President Kennedy: the Boston tough with a vision who brought true leadership in his three years

1962, when he stood firm while so many of America's allies were squealing for surrender, and many of his own advisers were singing the same song. I have never had any doubt that Kennedy's stand on that occasion kept not only the immediate peace but the long-term one; the years that followed the fall of Khrushchev were dangerous enough, but they would have been hideously more so if it had not been for Kennedy's unwavering confidence. Whoever is the President of the United States is, *ex officio*,

the leader of the free world, which is one of the reasons that the recent Presidential election was so depressing an experience for most of us. But Kennedy showed true leadership in his three years; those who had eyes to see realized that the torch had been passed into hands not only younger but firmer. Both Nixon and Reagan followed the path Kennedy cut, and the world is the safer for it: for one thing, I doubt if the Russian invasion would have taken place, Reagan or no Reagan, if Kennedy had not set the agenda for international action all those years before. (The Truman Doctrine had been looking very woebegone for a long time.)

Of course, the international scene has not been one of confrontation only; I believe that the current of Western European integration would have gone faster and more smoothly if the dynamism of a Kennedy had been available to power the engine. He understood the way the world might work and did work; his youth was his greatest advantage, because it meant that he was not bent double with the

weight of tradition, precedence and caution on his back. It is not at all fanciful to think that even South Africa might have moved towards decency if Kennedy had lived and served two full terms.

Domestically, I cannot believe that the United States would have remained still while a President Kennedy was so active internationally. Kennedy's death left Lyndon Johnson to force through the civil rights legislation; Johnson worked on Congress with cunning and force, but Kennedy might well have made it a crusade, and one with more rapid results. Moreover, to think of Kennedy as a Democrat in the interventionist mould would be a profound mistake; that is what I meant when I said he was a liberal in the nineteenth century meaning. I believe that the appalling (and growing) urban poverty which stains the United States would at least have been attacked with less blunt weapons; it is not inconceivable that even the drug problem might look very different.

Or perhaps not. Perhaps it was all an illusion, made out of skillful publicity and a response owing more to a reaction against the Eisenhower years (I forget who said, when Kennedy was elected, "The Goths have left the White House") than any feeling of excitement stemming from the challenge that Kennedy offered. Perhaps; but I am old enough to recall not only the state of the world and of America a quarter of a century ago, but also the real excitement which Kennedy generated, and the feeling of desolation, as though a light had blown out and left only darkness, when he was killed. If he had lived, I believe that the world would look, and be, a brighter, more courageous, safer, wiser, more prosperous place, better-tempered, more adventurous, less introspective, even happier. The torch of youth, determination and courage did pass to him, but he fell to the ground with his body, and no one since has been able to seize it and lighten our darkness with it. Those shots in Dallas sounded two knells, not one.

Commentary • JACK STRAW

## Loans without purpose

Student loans are a bad idea. The British people say so. Sixty per cent of those polled by MORI in June said that they would oppose the replacement of student grants with loans; only 30 per cent offered support. Among those with children in higher education, the gap was even greater — just 23 per cent supported loans, with 70 per cent opposed.

This may help to explain the extraordinary defensiveness of the Government on the issue. It has taken two and a half years to write a White Paper which from its holes looks to have been put together in two and a half hours.

In a vain attempt to outwit parents and students alike, Mr Baker has described his plan as one for "Top-Up Loans", when its true purpose is the progressive replacement of half the grant and parental contribution by a loan.

Quite what ministers have been doing for two and a half years is beyond me. Mr Baker promised that his review would report in 1987. He "understood the urgency", he said, and child Dennis Skinner for having the temerity to suggest that it would not be completed before August 1988.

how the loans may be paid is yet clear. But if the scheme itself is shoddy, the reasons offered for it are simply bizarre. They include increasing the resources available to students, reducing the burden on parents, and increasing access to higher education.

The Baker loans scheme will, initially, increase the resources available to some students — the best off, who need help least. As Dr Nicholas Barr of the LSE (a leading advocate of a graduate tax type loan scheme) has pointed out, with a real interest rate of zero the Baker scheme could mean that "well-off undergraduates are given an incentive to borrow up to the maximum and put the money into privatization flotations".

But the worst off will suffer most. How far the present grants system has encouraged students from working-class homes into higher education is often disputed by advocates of loans, but the White Paper concedes that the proportion of such full-time students has more than doubled since 1962, from 3.2 per cent to 6.9 per cent in 1985.

There is, moreover, one figure in the White Paper which shouts — it is that nearly four in ten (38.4 per cent) receive a full grant. For these students, what they receive as of right by way of grant will be replaced progressively by a loan. Their entitlement to housing benefit, which for poor students and those in high-cost areas like London, can exceed the £400 sum of the "top-up" loan, is to end straightaway. Twelve per cent of students get a full grant because they are over 25 or otherwise independent of their parents. But 26.4 per cent

get the full amount because their parents' income is so low — at or below the national average of around £10,400.

Whether this 26.4 per cent of students is technically to be classified as working class, or middle class, is beside the point. On the Government's own criteria, their parents are so hard up that they cannot afford to pay towards their children's higher education.

A university education for me would have been out of the question without a full grant. Yet the Government now asks us to believe that today's potential students in circumstances similar to mine, or worse, will actually be encouraged to apply for a higher education course more by the prospect of debt than by the benefit of grant.

It is on the question of costs that the Baker scheme comes apart. Mr Baker literally cannot decide whether the scheme is to "cost more, or less. Compare these statements:

"In reply to (Mr Straw's) point about... saving Government expenditure, I draw his attention to the fact that the net cost of the scheme to the Treasury will be £830 million, so there will be an increase in Government expenditure"; and "I re-emphasize what I said to (Mr Straw). We are reducing the burden on parents and taxpayers."

Both statements were made in the Commons, by the same speaker, Kenneth Baker, on the same day, and only four minutes apart (9 November 1988, *Hansard*, cols 307 and 309). They cannot both be correct — and the whole of the loans review is led

by the obsession to reduce government expenditure.

But, if as Mr Baker boasts, there really is another £830 million of public money available to improve student support, and encourage access, there are a dozen ways in which this could be better spent than this loans scheme, which will secure neither objective. Access, above all, depends on more places being made available: 19 per cent of fully qualified potential students are today denied a place, because there are not sufficient. Yet the latest White Paper contains no new proposals to increase numbers.

Of all the arguments in favour of loans the one with the greatest superficial force is that the graduate should repay some part of society's investment which has, in turn, led to his or her higher salary.

But I have always believed that the broad equity which is sought here is better served by a progressive system of general taxation — that those with the highest salaries, however they have arisen, pay more tax. This avoids another fundamental weakness of the loans scheme, which will place an added incentive on graduates to put pay before vocation.

The fact that the Government is already having to pay its way out of the teacher shortage crisis by giving extra grants to science teacher trainees, shows yet again how one DES policy is colliding with another. But like so much else from the DES these days, this scheme is all glitz, no guts.

The author is Labour MP for Blackburn.

NOV 21

ON THIS DAY

1947



Cheering crowds greeted Princess Elizabeth and her husband, Prince Philip, Duke of Edinburgh, as they left Winchester by car last night for the first part of the honeymoon at Broadlands, after a day of memorable events. Their marriage in Westminster Abbey was attended by foreign kings, queens, and princes and leaders of the nation and Empire. It was a ceremony of splendour, dignity, and colour. The processions, which were watched by rich pageantry, were watched by vast crowds... After the ceremony Princess Elizabeth and her husband appeared on the balcony at Buckingham Palace with the King and Queen, Queen Mary, and Princess Margaret...

SPLENDOUR OF CEREMONY

Never more vividly than at yesterday's ceremony in Westminster Abbey can the spectator have felt the peculiar significance of the modern imperial monarchy as the mediating influence between the vast solemnity of the governance of nations and the human simplicities out of which nations are built up... This was a family event, transcended in the bosom of history.

As the great company assembled in choir and transepts and nave, first thoughts were naturally of the mighty past to which this day a new and hopeful chapter was to be added. All knew that behind the splendid display of the Abbey's golden plate on the high altar was the tall shrine of St

Edward, the founder, and round about him the bygone sovereigns of England: the Kings from Henry III, who built the present Abbey Church, and, as on this day it was most natural to remember, all but one of the Queens who have reigned in their own right in the two kingdoms. Here is Queen Anne, who united those kingdoms; here is the tragic heroine of Scottish romance, here above all is that other Elizabeth whose memory was in all men's minds this day.

DR. GARRETT'S ADDRESS

In his address to Princess Elizabeth and her husband the Archbishop of York said: "You have made this great promise willingly and gladly because you have given yourselves to each other in selfless love. Love must always be unselfish, and unselfishness is the true secret of a happy married life. It must show itself not only in great moments of heroic self-sacrifice, but day by day in all the small problems and incidents of everyday life. It means thoughtfulness and patience; ready sympathy and forbearance; talking over and sharing together the special interests and cares which each of you will have."

And thus you will learn to bear one another's burdens as you walk on the road of life, making the journey together with happiness and hope. Through this unselfishness, while you are helping each other and are together in your own home, you will be able to make your home an oasis of peace and quiet in the midst of a life which is certain to be crowded with public duties and which will often be interrupted by exacting claims upon your time. A happy and unselfish home life of your own will enable you to enter more readily into the joys and sorrows of a people who have a deep and instinctive love for their homes."





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## BANKING ON STUDENTS

Before the beginning of every academic year, the high-street banks engage in cut-throat competition to offer first-year students their services. Their reasoning, based on experience, is that students who open an account with one bank are likely to remain loyal to that bank through what they — and the bank — hope will be a prosperous career.

It is regrettable, therefore, that the big four banks have greeted the Government's plans to provide top-up loans to students so coolly. If they regard impecunious students as a good risk and a sound investment, as they clearly do, then the replacement of the present grant system with a loan scheme would seem to be not only of immediate benefit to the students, but of long-term benefit to the banks.

The Department of Education and Science interpreted the banks' response to its scheme as reflecting the arrogance of wealthy institutions where concern for the community comes a poor second to profit. It has a point. Banks have proved uncomprehendingly willing to make money out of student lending. Some have won an unsavoury reputation for thrusting credit at students, confident that even if they cannot pay, their parents will.

The fact that banks have generally been getting a good deal from their student customers, however, is no reason to ignore their legitimate worries. Under the present grants system, 95 per cent of Britain's 500,000 students have a bank or building society account. The banks might well ask whether it makes financial sense to court the additional five per cent.

At present, moreover, the banks have been able to assess students as potential customers and vary their conditions accordingly. Now, it appears, they will be required to advance £400 annually to every student indiscriminately. The banks fear that the DES loan scheme could involve them in more bad debt. It would also require them to chase recalcitrants until they pay up, with all the administrative public

relations difficulties this would bring. The problems, however, should not be insuperable.

For the past five years the clearers have enjoyed unprecedented profitability, despite the huge sums lost in South American loans. The amounts required by the DES's student loan scheme are paltry by comparison: a mere £200 million in the first year spread across more than 100 banks and building societies. For each institution, the cost of not charging interest would be slight, especially as banks do not expect to make much money out of their student customers even now.

As so often, the chief problems seem to be political and presentational. The banks say they will consider a cheap student loan scheme as long as they are given a hand in drawing it up. They resent the fact that they were not consulted before Mr Kenneth Baker, the Education Secretary, announced the new scheme. They now feel that they are being browbeaten into accepting a scheme which is unworkable — but could have been workable, had their cooperation been sought in advance.

Mr Baker's subsequent hint that he would tie the student scheme exclusively to Girobank or to an overseas lender only made matters worse. Not only did it give the banks the impression that they were being pressed into cooperation, but Girobank itself was not informed in advance of the possibility that upwards of half a million new accounts might suddenly be added to its books.

This whole sorry sequence offers another example of poor presentation on the part of the Government and its departments. It also shows that the relationship between the Government and the City is less close than is often thought. If the banks — which are the obvious source of funds — are to participate in the proposed student loan scheme, they need to be persuaded that there are sound financial and political reasons for doing so. There are, and the DES should have made this clear at the outset.

## QUESTIONS FOR CANADA

Historical precedents do not augur well for Mr Brian Mulroney's chances of leading his Conservative Party to victory in Canada's parliamentary elections today. To begin with, the last Conservative leader to win two consecutive terms was Sir John Macdonald a century ago. Second, the Liberal Party led by Mr John Turner has largely succeeded in turning the campaign into a vote on the future of the US-Canada Free Trade Agreement. In Canada's two previous elections fought on free trade issues, in 1981 and 1984, the free traders were decisively defeated.

Free trade is a sensitive issue in Canada because — particularly where trade with the United States is concerned — it raises the question of Canadian identity. A nation founded on rejection of the American Revolution has always been ambivalent about the facts of economic and cultural life which link it so closely with its giant neighbour. The trade pact negotiated by Mr Mulroney, signed last January, already ratified by the US Senate and due to come into effect on New Year's Day, would deepen this interdependence.

Four-fifths of Canadians live within 100 miles of the 5,500-mile border they share with the US. Canada depends on foreign trade for 30 per cent of its wealth and sends four-fifths of its exports south. Selling each other £90 billion worth of goods a year, the two countries form easily the biggest partnership in the world. But this in itself makes Canadians define themselves largely in terms of what differentiates them from Americans.

Mr Mulroney is not helped by the complexity of the pact. Most voters, according to opinion polls, do not understand what it would involve and half are opposed to it. Their uncertainty, together with their fear of being absorbed by the United States, has been exploited by Mr Turner to such good effect that he temporarily transformed a 10-point lag behind the Conservatives into a marginal lead before falling behind again yesterday.

The third party in the game, the left-of-centre New Democratic Party, could turn out to hold the balance of power. Since it is also opposed to the trade pact with the US, Mr Mulroney can save it only if he wins an

absolute parliamentary majority. But a defeat for Mr Mulroney and the free trade pact would be less of a defeat for the principle of free trade than might appear.

The deal reflects the global tendency for the industrialized world to form regional trading blocs of which the European Single Market is another example. Europeans might eventually become as nervous about Fortress America as the US is about Fortress Europe, particularly if Mexico were to join a continental North American free trade area.

Even Mr Turner, who used the Liberal majority in the unelected Canadian Senate to block ratification pending parliamentary elections and so forced Mr Mulroney to go early to the polls, says that what he opposes is not free trade per se but what he has dubbed the "Sale of Canada Act". He would, he says, rely instead on a combination of sectoral agreements with the US and more reliance on multilateral trade liberalization.

It would, however, be bad for Canada. Mr Mulroney embarked on negotiations with the US in order to forestall aggressive anti-dumping and other protectionist measures by the US Congress. In the longer term, he also wanted to ensure that Canada did not become the only major industrialized country without assured access to a large-scale market. Rejection of the pact would damage relations with the US, and the backlash could foster the protectionism Mr Mulroney sought to avert.

Mr Turner has played on fears that liberalized investment rules under the pact would lead to massive US buy-outs of Canadian companies and resources. In practice, however, Canadians, who are major investors in the US, would benefit from open-door policies.

The election has been fought as a contest between Canada's soul and its material well-being. The premises are false. Canada is in no danger of becoming a spiritual strapping of the US. It is in danger, if Mr Turner's chauvinism carries the day, of being shunted onto an economic siding. That this would threaten its identity more than any trade pact is a point that Mr Mulroney appears, sadly, not to have got across.

## BUSINESS IN THE COMMUNITY

The inner cities seem to have gone to ground. This is not because Mr Tony Newton, the minister with the coordinating role, has not been doing his job, but because most of the action is now, as the Government intended it should be, with the private sector.

The Urban Development Corporations owe their success to the fact that executives have been given their head to sketch blueprints and package properties. Local inhabitants have benefited, too, as is shown by the fall in urban unemployment rates. None the less, the people who live in Sheffield, or Liverpool, or Salford seem to have been allotted only a walk-on role in the regeneration drama yet they are the reason why an inner-city policy is being implemented.

The sense that, while the tempo of urban regeneration has increased, social reconstruction remains to be attempted, pervaded last week's conference in Sheffield of Business in the Community and the keynote address, given by the Prince of Wales. As the inner city has fallen out of political fashion, Business in the Community has succeeded in keeping urban issues in the sights of industry and commerce. Blurring the lines between charity and self-interest, it has cultivated the idea that in involvement of business in the inner cities is in the commercial interest of firms: regenerated areas will supply not only future customers but also future employees.

At present, however, the involvement of firms in Business in the Community schemes is a rather random, arbitrary feel. One has a rather random, arbitrary feel. One scheme promotes small business, but there appears to be no general expectation that British businesses will try to seek out new

suppliers from inner-city areas. Another scheme makes a vital effort to bring black citizens into the enterprise culture, but how many firms follow the progress of their black employees in any systematic way?

The useful and imaginative work of Business in the Community could well be supplemented in two ways. The first relates to the behaviour of corporations. In the United States, the belief has grown that corporate reorganization, especially where mergers are involved, should be assessed partly in the light of the effects on local employment. This is a thought worth thinking in Sheffield, or Leeds, too.

The second relates to the way in which government policy can augment Business in the Community. While Mr Newton keeps his low profile, the Government's own inner-city initiatives seem at risk of unravelling. What, for example, has happened to the inner urban justification of City Technology Colleges? There is nothing wrong with setting up such institutions in Solihull or Croydon, but the case for them is stronger in Handsworth and Brixton. Similarly, if polytechnics use their new financial freedom to move to country campuses, their useful urban dimension could be lost.

The Government's programme of action for cities requires coordination between the property developers and government departments. Education and Employment ministers, for instance, should not proceed as if oblivious to policy on inner cities. It is not to belittle the work of Business in the Community to say that there must be a coherent public policy if the spirit of enterprise is to be implanted in the inner cities — and we still do not have one.

## Fortress Europe or open market?

From the President of the European Parliament

Sir, As the European Community's objective of completing a single market by 1992 comes more into focus and into public debate, it is quite natural to start considering the nature of this market and the way it will operate in relation to current and future guidelines in international trade, notably the General Agreement on Tariffs and Trade (GATT).

It is unsurprising that there is some anxiety among Europe's trading partners about whether the single market will prove to be a protected "Fortress Europe" or a market as open as the rest of the world as it is to its own components.

However, our major trading partners in more candid moments might admit to an element of deliberate exaggeration in these fears. It seems that no amount of free market statements from the European Commission can prevent them from nervous denunciations of their own worst nightmares, namely a Europe with a high external barrier to foreign imports.

Why all the fuss about reciprocity? If we are all moving towards a free trade there should be no difficulty for the EC's partners to comply with a request that trade barriers should also come down elsewhere than between European countries.

Strict and symmetrical reciprocity is not, in any case, the European Commission's policy. The aim is rather to obtain equivalent concessions, to reach a balance of advantages. This approach is, in any case, identical to that pursued by the GATT itself.

The sheer achievement of the European Community in breaking down so many intra-European trade barriers should not be ignored or taken for granted. The progress towards a single market in Europe involves very substantial concessions on the part of the member states. It is most unfair to imply that these concessions pose a danger to international trade.

Of course Europe wants an open market. Of course Europe wants a single market. But great care needs to be and will continue to be exercised by the European Commission, supported by the European Parliament, to ensure that 1992 will produce open trading conditions and economic integration. My view, however, is that we should not have one without the other.

Yours etc,  
HENRY PLUMB, President,  
European Parliament,  
2 Queen Anne's Gate, SW1.  
November 15.

## Middle East aims

From Lord Caradon

Sir, Amongst the many diverse reports emanating from the Arab gathering in Algiers (details, November 16), one I found to be encouraging. It was that the Soviet Union had given a lead away from the negative conflict of opposing proposals.

I was reminded of the scene at the United Nations way back, when British Resolution 242 was being discussed. The Soviet delegate came to me to say that the Soviet Union would support the British resolution, thus making it unanimous.

How important it will be if the Soviet Union now persists in such a course and if the other original supporters of Resolution 242 now confirm their unanimous support. That might well make all the difference between terrible continuous conflict in the Middle East and the prospect of peace at last.

International interest is well set out in Resolution 242, which we all supported long ago. The need for peace is now more than ever overwhelming. The place for urgent action is surely the Security Council of the United Nations.

Yours etc,  
CARADON,  
House of Lords,  
November 16.

## Deer not fair game

From Mr M. W. Field

Sir, Your report on October 19 gave a misleading impression of the case, *The Inglewood Investment Co., Ltd. v. The Forestry Commission*, when the Court of Appeal decided that "deer" were not "game" under the terms of a forestry lease drawn up in 1921.

Inter alia, your report stated that Inglewood were trying "to extend their sporting activities" to deer. On the contrary, the company's interest was more to preserve and protect them and to stop the Forestry Commission commercialising the shooting and selling of the deer.

The court made it clear that the case was decided on the wording of the lease and the circumstances prevailing at the time of its grant. These were indeed exceptional, being just after the First World War, when there was still rationing. Venison was unrationed and deer were shot "for the pot".

Persons who have similar cases against the Forestry Commission should continue "the chase". Yours faithfully,  
M. W. FIELD (Director),  
The Inglewood Investment Co., Ltd.,  
Pool Cottage, Weston, Stafford.  
November 8.

Letters to the Editor should carry a daytime telephone number. They may be sent to a fax number — (01)782 5046.

## LETTERS TO THE EDITOR

### Bringing Foreign Office into line

From Sir Andrew Gilchrist

Sir, From your leading article (November 16) on the formulation of British foreign policy the following facts emerge:

1. In the preparation of the Prime Minister's recent major speech at Bruges there was a "Foreign Office version" and a draft prepared elsewhere.

2. The Foreign Office version produced considerable "impatience", which led to the victory of the other version.

3. Mutual "impatience", however, did not subside and was perpetuated in press briefings by both sides afterwards.

Such rival press briefings, particularly where the Foreign Office was concerned, would have been inconceivable under a strong prime minister like Attlee, and you are right in wishing to see them discontinued.

I fear, however, that your suggestions for overcoming the difficulty are wide of the mark, since (so far as I understand them) they would merely result in providing Mrs Thatcher with two official and presumably rival sources of advice, in place of one official source and a variety of unofficial sources, as at present.

All that is really necessary is for the Prime Minister to appoint a new Foreign Secretary who is nearer to her own way of thinking, leaving him to instil a sense of discipline and loyalty in the senior ranks of the foreign service and to purge them of any tendency to obstinacy or obstruction. By such means Mrs Thatcher will easily be able to establish a reformed Foreign Office which can be counted upon to give her (in your own words) "advice of exactly the kind she wants".

Yours faithfully,  
ANDREW GILCHRIST,  
Arthur's Crags,  
Hazelbank, by Lanark.  
November 16.

From Mr Louis Heren  
Sir, Your leader, "Well-placed sources", is persuasive, except for the reference to the American National Security Council. With respect, the differences between the British and American systems of government are so fundamental that we would all be better advised, if we have to make comparisons, to look, say, at West Germany's form of parliamentary democracy, which is less "foreign". Let me explain.

Established in 1947 by President Truman as part of the Executive Office of the President, the National Security Council's function is to advise the President

with respect to the integration of domestic, foreign, and military policies relating to national security (US Government Organization Manual).

It worked well in the early years, although under President Eisenhower it developed a number of committees which were seen, erroneously I believe, to encumber the process of decision-making. President Kennedy got rid of them, which probably explains his early blunders, but his Assistant for National Security Affairs more or less remained a Civil Service mandarin in the British tradition.

This changed in 1969, when President Nixon appointed Dr Kissinger as his national security assistant. The doctor was a determined man with ideas of his own; but more importantly Mr Nixon, probably for congenial reasons, preferred secrecy to normal discussion at cabinet or Cabinet meetings. The State Department's influence was further weakened, and the National Security Council became little more than a facade.

The ultimate degradation — Colonel North, a temporary member of the council's staff, was able to run the Iran-Contra operations and much else.

This potted history is not an argument against the Prime Minister appointing a foreign-policy adviser, but it surely demonstrates the danger of comparing 10 Downing Street to 1600 Pennsylvania Avenue. The modern White House is a government within a government, or, as I have written elsewhere, the modern American presidency is the latter-day version of the British medieval monarchy.

Unlike the prime minister, the king-president is not a member of the legislature and members of the cabinet and executive office are not elected. They are king's men, appointed to do his bidding, and, protected by executive privilege, they are not answerable to Congress. This helps to explain the Bay of Pigs, the involvement in Vietnam, Grenada, the Iran-Contra operations, and much else.

After that little lecture, may I submit that the Prime Minister can safely support a foreign-policy adviser without damaging our constitutional arrangements. Indeed, I believe it is her duty so to do because the Foreign Office has long behaved as if it is not answerable to Parliament or people.

Yours etc,  
LOUIS HEREN,  
Fleet House, Vale of Health,  
Hampstead, NW3.  
November 16.

### The Reich recalled

From Dr Wolfram U. Kinzig

Sir, Nobody will deny that there are people in Germany who take no advice and who claim to know everything better. However, if Dr Conor Cruise O'Brien (article, November 16) had only taken one glimpse into last week's leading German newspapers he would have seen that these people are by no means dominating West German public opinion. (And from my own experience I should like to add that they are a small minority among the population — as exists in every country.)

To give just one example, some days before Jennings's speech Robert Leicht, one of West Germany's leading political commentators, wrote on the front page of *Die Zeit*, under the headline *Im Schatten der Schande* (In the shadow of shame).

*Deutschland erwache!* (Germany awake!) On that November night 30 years ago this shout yelled through the streets. Yet why had the Germans not already awoken much earlier?

... In the five years before 1938 the regime could count on the unrelenting collaboration of many people in the Civil Service and courts of law. For many years even the churches could bring themselves to offer half-hearted support only for baptised Jews. The watchword was uneasy self-preservation, not courageous solidarity.

These are the words and, in particular, the tone one should expect at such an occasion. Jennings in his speech, however (report, November 12), instead of showing solidarity with the victims of this injustice, tried to make intelligible the psychology of its authors and the "fascination" of the years from 1933 to 1938 "even when seen in retrospect, many years later and in the knowledge of

their aftermath" — this being, one has to add, the deportation of millions of Jews to concentration camps and their conscious and well-organised mass murder.

There is no reason to doubt Jennings's subsequent assertion that he only acted with the best of intentions. However, his complete failure in assessing what is appropriate when commemorating the darkest events of German and Jewish history was more than cause enough for his immediate resignation.

Yours sincerely,  
WOLFRAM KINZIG,  
Peterhouse, Cambridge,  
November 17.

From Mr Hugo F. Reading  
Sir, In writing about the fiftieth anniversary of *Kristallnacht* you blazoned your report (November 10) with the headline, "Runcie accepts pogrom guilt". It is clear to the national mind that Dr Runcie is absolutely innocent.

You go on to say that Cardinal Hume stressed the importance that everyone admit some responsibility (for *Kristallnacht*) on account of those Christians who in the past harboured ill-feeling against the Jewish people. I have spent all my life fighting anti-Semitism and cannot believe that I bear any responsibility for *Kristallnacht*.

Yours faithfully,  
HUGO F. READING,  
77 Manor Park Road, NW10.

From Dr Allan Solomon  
Sir, Thank God for Conor Cruise O'Brien. I was beginning to think that I was the only one who had understood Jennings's *Kristallnacht* address.

Yours etc,  
ALLAN SOLOMON,  
43 The Gardens,  
Watford, Hertfordshire.

(average age about 70) preferred to be called by their first names, some strongly so. Clearly, patients here differ from those of Professor Dudley, at St Mary's Hospital, London. Are differences in social class, place of residence, age, sex, or ethnic origin important?

These questions should keep research workers busy for months, perhaps years. Perhaps the Medical Research Council would investigate?

Yours faithfully,  
J. B. COOKSON  
(Consultant physician),  
Glenfield General Hospital,  
Groby Road, Leicester.  
November 17.

All nine patients questioned

### New gold coins

From the Deputy Master of the Royal Mint

Sir, With regard to the letter (November 16) we can understand Dr Stevenson's ire, but may we enter a plea of not guilty? There will, in fact, be a £2 coin issued next year to commemorate the tercentenary of the Scottish Claim of Right. This will cost no more than £2 from banks and post offices.

Gold coins there will also be; these are new sovereigns to cele-

brate the 500th anniversary of that popular coin in 1989.

We haven't forgotten the English Bill of Rights, however, and commemorative £2 coins will be issued at the same time as the Scottish version. Can we hope that some of these will find their way north of the border?

Yours faithfully,  
A. D. GARRETT, Deputy Master,  
Royal Mint,  
Llantrisant, Pontyclun,  
Mid Glamorgan, South Wales.  
November 18.

## Cathedral text on Mappa Mundi

From Sir David Lumsden

Sir, Sir Roy Strong's attack (report, November 18) on the Dean and Chapter of Hereford is, to say the least, misdirected. And his comments on Ely Cathedral, which astonished and delighted us all by its enterprising and singularly successful appeal campaign, are surely misjudged: the admission charges are modest, generally accepted and understood by visitors, have helped rescue the cathedral finances and avoided (so far) the necessity of liquidating cathedral assets.

Of course we all want to see Mappa Mundi safe in Hereford for all time. What anguish, then, must the Dean and Chapter be experiencing, faced with the awesome responsibility of maintaining the cathedral itself and all its multi-faceted activities. Who is to judge, from the sidelines, where their priorities should lie?

Ought we not, as a thriving and civilised country, to be addressing the core of the problem — do we or do we not want our cathedrals to survive? If we do, how do we pay for them? The State, the Church, the counties, the cities, visitors, and the community at large can no longer shrug off the responsibility on to someone else.

Who is to lead? Will the Prime Minister and the Archbishop of Canterbury between them make a start? Or Sir Roy?

Yours faithfully,  
DAVID LUMSDEN,  
Principal,  
Royal Academy of Music,  
Marylebone Road, NW1.  
November 18.

From Lady Merrison  
Sir, Surely the Dean and Chapter of Hereford Cathedral should be congratulated? They have firmly rejected the "dependency culture" and embraced the free market.

Assets are there to be deployed or stripped. It is no good whinging about the loss of part of the English heritage if the Hereford map is sold (leading article, November 17), or expecting Government-financed bodies to come up with the cash when this generation does not appreciate what it has not paid for personally and directly. No right-thinking modern Christian will pay any attention to those nasty medieval anathemas which condemn to eternal damnation those who rob the Church of her possessions.

The only worry is the obvious reluctance of Lord Gower, as Chairman of Sotheby's, that the map should ever get into the saleroom. Should the deal not come off, perhaps the Dean and Chapter might consider selling the cathedral itself to Prince Charles, who likes old buildings, replacing it with something purpose-built and less expensive to maintain.

Yours faithfully,  
MAUREEN MERRISON,  
The Manor, Hinton Blewett,  
Bristol, Avon.

### Pensions payments

From Mr Alastair Alexander

Sir, Ms Phillips (November 17) appears to be under the illusion that her contributions over the years as a working person have gone into some kind of fund which has been held for her pending her retirement. Nothing could be further from the truth. In fact her contributions while she was working were given to those who were then retired; and in turn the money she receives in retirement is collected from those who are working.

As one who reaches retirement age in 2009, I am acutely aware that the demographic shift in the population over the next 20 years will make it impossible for this situation to continue indefinitely.

It therefore seems the utmost folly to create a disincentive to continue to work, through misrepresenting of pensions in relation to earned income. We should be encouraging people who can and wish to work after normal retirement age to do so, thus providing revenue to the Exchequer to support those who cannot.

Yours faithfully,  
ALASTAIR ALEXANDER,  
Capel Lodge,  
Beare Green, Dorking, Surrey.  
November 17.

### Young England

From Lieutenant-Commander J. H. McGivering, RN (ret)

Sir, It is strange that *English for Ages 5-11* (report, November 16) does not consider Kipling suitable for children to read for themselves, when the passage you quote

The story should be capable of interpretation at different levels so that children can return to the book time and again with renewed enjoyment in finding something new is similar to Kipling's own views expressed in his autobiography, *Something of Myself*. Your obedient servant,  
J. H. MCGIVERING,  
32 Cheltenham Place,  
Brighton, Sussex.

From Mr Brian Tarbitt  
Sir, So the English Working Group — and Mr Baker — think that Oscar Wilde "might prove suitable for teachers to read aloud" (report, November 16).

Lord Illingworth. By the way, Gerald, you should learn how to tie your tie better. Sentiment is all very well for the buttonhole. But the essential thing for a necktie is style. A well-tied tie is the first serious step in life.

In Govan, m'lud, they speak of little else.

Yours faithfully,  
BRIAN TARBITT,  
Flat 7, Orchard House,  
Gilsland, Carlisle, Cumbria.

01-782 5046











## THE ARTS

THE TIMES  
NEW GROVEMusical  
CHALLENGE

Five music-filled days for two people in New York (including an appearance by Plácido Domingo in *Aida* at the Met, and a Marilyn Horne recital at Carnegie Hall), and a full £1,100 set of the magnificent 20-volume *New Grove Dictionary of Music and Musicians*, are the first prize in a competition on *The Times Arts* page, beginning tomorrow.

## Meet the man who sets the questions

The second prize is another full set of the *New Grove*, while three further runners-up will receive their choice of either the *New Grove Dictionary of Jazz*, the *New Grove Dictionary of Musical Instruments* or the *New Grove Dictionary of American Music* — which are published by Macmillan Press at £225, £295 and £395.

The *Times/New Grove Musical Challenge* will be a straight-forward quiz of 25 questions, five printed each day from Tuesday to Saturday. They have been set by the editor of the *New Grove*, Stanley Sadie, who introduces the competition here in an interview by Richard Morrison.

Having spent 10 years editing 22 million words about 22,500 musical subjects, Stanley Sadie could justifiably have relaxed for the rest of his life. But the publication, in 1980, of the 20-volume *New Grove Dictionary of Music and Musicians*, was only a beginning.

Enterprises such as the *Musical Instrumental Grove* (1985), the *American Music Grove* (1986), *Jazz Grove* (out this month), and *Opera Grove* — on which work has just begun — are new, mammoth projects in their own right.

Now comes *Concise Grove* — a single, lightweight volume which draws its information from *New Grove* but, as Sadie points out, is

freshly written. "New Grove had to take its place in academic libraries alongside highly specialized literature. You cannot simply boil down that sort of dictionary into one intended for a much wider readership. For the *Concise Grove*, experts in relevant subject areas absorbed *New Grove* entries, then rewrote them entirely."

The original *Grove*, Sir George Grove, produced his Dictionary in the 1870s, and it went through five editions up to 1954, each one more comprehensive than the last. But the revolution in music scholarship in the last 30 years ensured that in 1970, when Sadie (on the 150th anniversary of Sir

George Grove's birth) announced a further edition, it was not simply to be "Grove 6" but "New Grove", 97 per cent new. It would examine areas such as ethnomusicology for the first time, and use all the carbon dating, paper and ink analysis, paleographical science and psycho-analytical cunning of modern musical research. As Sadie pointed out at the time, "it was vital for the *New Grove* that the machine of American musicology be harnessed."

It was that seemingly machine-like assembly of a mountain of facts that provoked some antagonism to the *Grove* "industry" (involving nearly 2,500 of the top

musical scholars from four continents). Professor Joseph Kerman, in his provocative 1985 book *Musicality*, wrote that "what makes sense from Macmillan's point of view is ominous for the discipline of musicology as a whole". Kerman's target was what he saw as "positivism": a relentless process of ever more detailed research without any guiding concern about the intrinsic merit of the music being researched.

Sadie denies this. "I agree that assembling information must not be an end in itself; but facts are the necessary basis of informed evaluation. In *The New Grove* we have facts and evaluation."



At his fingertips: Stanley Sadie

## TELEVISION

Showy  
and slick

A slick, exploitative special, *The Zero Option* (ITV) exploited every cliché in the book of recent terrorist scenarios, without any psychological penetration but with a good deal of glitz: it looked like a giant up-beat to yet another *Professionals/Sweeney/Dempsey & Makepeace*.

It launched a new dynamic duo, of whom the main hero is a gritty, over-eager SAS man who is made to take the rap for a bungled rescue in which three kidnapped children are killed. Should he retire to the land and run his father-in-law's estate? It seems unlikely, as he has that lean and hungry look, so he goes in with a shady freelance security firm and is assigned to solve a mystery airplane hijacking in which a few million pounds of diamonds have gone missing.

The story was full of up-market settings — sinister late-night discussions in modern art galleries — and trendy violence. But apart from an entirely ludicrous final shoot-out on an airfield, where the diamonds turned up "just like on the movies", it carried its own weary sub-realist conviction, and had all the signs of a successful peak-time series in the making.

*Testament* (Channel 4) has already, like every rationalist re-examination of the Bible, raised hackles. But in this case a jaundiced reaction is fairly reasonable: John Romer is a flamboyantly idiosyncratic presenter, whose line in restless gesture makes *Magnus* seem almost staid. He also has a line in cheerful colloquialisms: Moses "read the riot act" and the High Priests "knocked off work early". Romer clearly has up-to-date research, in this instance on the Dead Sea Scrolls, to impart, but it is woefully inept.

To anyone brought up on the theories of John Allegro (credited here as a consultant) Romer's casual rubbishing of those who thought the Scrolls were produced in what looked like a nearby monastery will have seemed strange. The immensely tangled question of how far the Scrolls actually contradict accepted scriptural traditions is a crucial subject which deserves far closer and clearer examination than this.

William Holmes

Bill Murray tells Simon Banner that the reaction to his new comedy *Scrooged* is no laughing matter

## Haunted by success

Comedian Bill Murray says: "Christmas comes, but once a year's enough? Is that what you think? I know the feeling, and I'm bothered by the way Christmas seems to come earlier each year too. In the States it's in full swing by the end of November, though I hear that in places like Italy people only start to get hip to the whole Christmas deal, putting up lights and stuff, in the middle of December, which is how it ought to be."

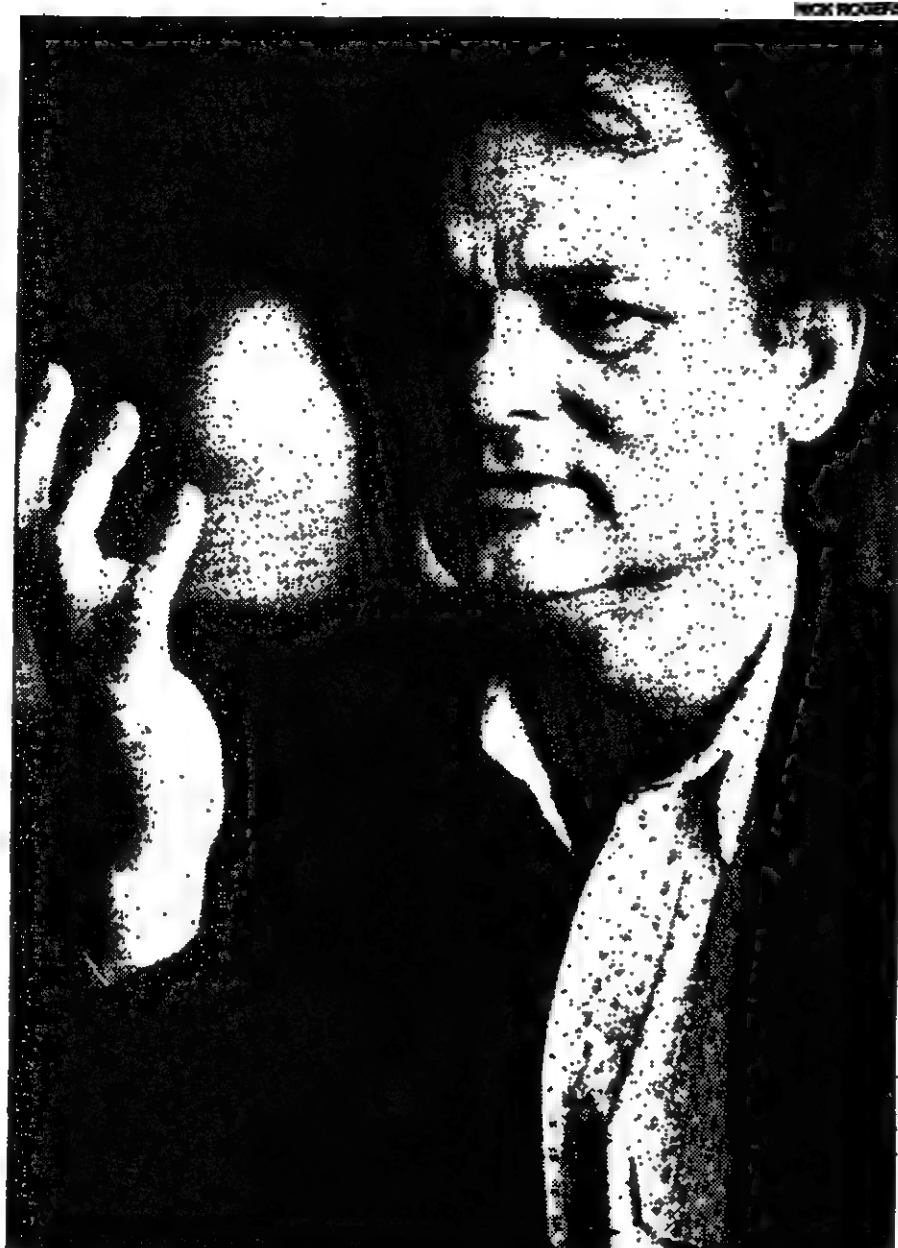
Such reservations notwithstanding, this year Murray is himself contributing to the untimely Christmas rush with the November release of *Scrooged*, an irreverent working of *A Christmas Carol* with the action transposed to present day New York. Murray plays the aptly-named Frank Cross, a sort of upwardly mobile reincarnation of Scrooge and the president of a television network, for whom Christmas is merely an opportunity to boost the ratings with such Yuletide specials as *The Night the Reindeer Died*.

"The idea of turning *A Christmas Carol* into a comedy, making this guy so mean that he's funny, that's the stroke of ingenuity here," Murray says. "We also spent a lot of time rebuilding the Cratchit family, making sure that that part of the story wasn't sappy, though the movie still ends with a very direct message, an appeal to people's goodness."

Whether audiences will take to Bill Murray offering a Dickensian homily on the true meaning of Christmas remains to be seen. Murray himself says he hopes it will help him get rid of his reputation (or "horrible bad rep" as he calls it) for being a master of comic insincerity, though, in fact, there is much more hanging on the reception of *Scrooged* than that. This is Murray's first major film since the hugely successful *Ghostbusters*, four years ago, and Hollywood may well be wondering whether audiences at home and abroad still remember who he is.

After *Ghostbusters*, Murray says, "it was necessary to back off a bit, because I spent sort of radioactive for a while". He spent six months living in France and six months building a house before searching round for a suitable film project to star in. *Scrooged* was ready to go before the cameras at the end of 1986, but Murray decided that the script needed attention and production was put back another year. "The more we had worked on the script, the more dead meat had fallen off it. Suddenly, I realized we were left with a skeleton, so we had to go back to work again."

The rough-looking Murray rose to fame on American television's *Saturday Night Live* as one of a generation of comedians — Eddie Murphy, Chevy Chase, and Dan Aykroyd among them — who have since



Rich and famous? Bill Murray advises you to try for wealth first and forget about the fame

become Hollywood fixtures. He was born in 1952 in a suburb of Chicago and grew up wanting to be a doctor, though he lasted just a few months at medical school. "When I got there I realized that most people wanted to be rich more than they wanted to be doctors, and I couldn't handle that."

"I got into being a comedian by accident. I started working at a comedy theatre called Second City in Chicago, partly because my brother was already working there and partly because it was a way of getting out of

and found it despicable," Murray says. "I mean, this is America's foremost journalist? He should be put to death."

John Belushi is remembered fondly by anybody who knew him. We remember the horrible side too, but what's important to stress is that he was an ice-breaker. He was first and he pulled a lot of us up with him.

"To me, watching him was like having an older brother go through adolescence before me. It made handling success much easier. It may have saved my life."

"I know most people don't have any sympathy for celebrities with problems because they think it's neat to be famous, but it's only neat on a few levels. I mean, people want to be rich and famous, but I strongly recommend rich. People should try rich first, and see if that's not enough."

Murray speaks nostalgically of a *Saturday Night Live* tour that his fellow performers dubbed *The Last Days of Anonymity*, yet it was the fame brought by the show's success that secured him and his peers officers of work in Hollywood.

With the exception of *Ghostbusters*, and films such as *Tootsie*, in which he has given cameo performances, Hollywood has yet to find a very effective vehicle for his talents. Significantly, when he arrived in New York to begin filming *Scrooged*, Murray was welcomed by fans carrying placards reading "Get out of here, you knucklehead", which was one of his *Saturday Night Live* catchphrases.

It is the more ironic then that when David Puttnam arrived as head of production at Columbia Pictures two years ago, he singled Bill Murray out for criticism as an example of an over-paid member of the Hollywood establishment. "You don't see people — Bill Murray, for example — putting back any dollars made from *Ghostbusters*," Puttnam is reported to have said.

"Oh great," Murray says, crossly. "I was hoping David Puttnam would come up on this trip. What do you want me to say? I mean, I think it was hysterical that David Puttnam singled me out as an example of an old Hollywood robber baron or something, someone who takes and takes from the movie business and doesn't give anything back."

"It was just so strange," he says, fiddling with the Tin Tin badge on the lapel of his jacket. "I'm a Hollywood outsider and I could have gone along with a lot of what he was saying. You know, I don't do lousy movies and I don't do material I don't believe in, and that to me is giving something back to Hollywood. I'm really not a guy to bitch and moan about at all."

Scrooged opens at the Plaza, Lower Regent Street, next Friday, November 25

## CONCERT

This is  
seriousGavin Bryars  
Ensemble  
Queen Elizabeth Hall

Life would be an awful lot easier if Gavin Bryars were not so serious: his is music which would make sense as fun or eccentricity were it not composed and performed with such care and coolness.

Like Mauricio Kagel, he goes in search of the musically disreputable: luscious violin tunes in *Les fiancailles*, or the bits of jazz between the good bits in *My First Homage* (to Bill Evans). But his music does not have the critical sting or the wilful absurdity of Kagel's, for the simple reason that he refuses to accept the high culture's judgement that his material is worthless. One enters a wobbly world where all notions of taste and intention have lapsed, and therefore any possibility of criticism too. It is impossible to take what Bryars does at face value, but impossible as well to see beyond the face.

If only he were just a joker... But the fact that he is not was demonstrated by *Out of Zaleski's Gazebo*, for four pianists, where repetitions in his English humdrum style of minimalist are brought crashing to earth by cadences out of Percy Grainger. This is amusing first time round, and the audience seized eagerly at the chance to laugh (we were into the second half), but when it keeps happening, one knows once again that one has missed the point.

The real points perhaps lie deeper, at a level where Bryars's sugary string adagios start to sound like Messiaen's, or where his writing for bass clarinet begins to echo Stockhausen's: these are perhaps coincidences, but they bring home how terribly near the most respected, established art is to vacuity.

For that, and for the (over-amplified) skill and determination Sarah Leonard brought to a long aria from the forthcoming opera *Dr Ox's Experiment*, this was an evening of mingled delight, boredom and anxiety.

Paul Griffiths

## Minds matter

## RADIO

A warm but cautious welcome to All in the Mind (Radio 4, Sundays, repeating Fridays; producer, Michael Emmer). At last the work of psychologists and psychiatrists gets its own niche on radio instead of making occasional and subsidiary appearances on *Medicine Now* and *Science Now*.

And I have no objection to Professor Anthony Clare as presenter — he is after all an excellent broadcaster — except that anyone taking the Radio 4 view of the world as a representation of reality may by now have concluded that Doctor Clare is the only psychiatrist in the realm.

Arguably, if you are launching a new series, you go for assured

competence first, but if this one is to run, it needs to seek out alternative talents — which surely exist.

It also seems to me that the choice of title may be a shade ill-judged. On the one hand, it echoes the dismissive phrase with which generations of doctors have shrugged off any condition they did not understand; on the other, it rings out as if in flat contradiction to the title and indeed argument of Richard Maccann's famous book, *Not All In The Mind*.

This suggested powerfully to the psychiatric profession that instead of always searching diligently for the appropriate infant trauma, they need in some cases look no further than the ladder, the fridge or the cleaning cupboard. In other words, that much mental disturbance is related to intolerance of foods and of chemicals in common domestic use.

My last reservation — for the time being — concerns treatment. The programme's billing describes it as devoted to "matters of psychology... as reflected in events, books, films, plays, as well as in the work of psychologists and psychiatrists".

In a recent edition there was a discussion of mental hospital closure built around the new play, *Asylum*. It was a bit like listening to a rather odd edition of *Kaleidoscope*: somehow the topic — one of crucial importance — got a bit bogged down in drama criticism and then, as if that were not enough, overshadowed by an excerpt (quite irrelevant) from Clare's *In The Psychiatrist's Chair* interview with the play's leading lady, Sarah Miles.

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David Wade

## RECITAL

Ameling/Jansen  
Wigmore Hall

Elly Ameling's contribution to the programme's juxtaposing Schubert and Mendelssohn as "Classical Romantics" included four songs for which both composers set identical poems, three from Goethe, one from Schiller. It was perhaps fortunate that she sang all her Schubert songs first, for had she planned her programme the other way around, it is likely that Mendelssohn would have been entirely eclipsed.

Whatever may be their respective achievements in other musical forms, in the matter of song it is Schubert every time who distills the musical fragrance of the verses. The soprano was in fresh and tremulous voice for the love song "Die Liebende schreibt"; in "Des Mädchens Klage" she embraced a more varied tone-colour to save the lament from becoming a burden, and "Die Junge Nonne" tempered emotional feeling with thoughtful commitment.

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Noel Goodwin

## Final flourish

## DANCE

Jane Dudley  
The Place

This year's Dance Umbrella season ended on Sunday. It has usually been a mixed affair with more disappointments than delights: some of them inevitable and honourable for experiment's sake, some that should have been foreseen.

Still, Siobhan Davies and Lloyd Newson have extended their reputations and two Umbrella programmes last week proved more rewarding than the Royal Ballet's somnolent *Sleeping Beauty* at Covent Garden.

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lary of movement than our young choreographers. She is more responsive to music; and she uses her skills with highly polished craft and intelligence to tackle a variety of themes, all concerned with human responses to character or circumstance.

Two works from the beginning of her career showed the extremes of her style. Both deal with people in crisis but where the soloist in *Harmonica Breakdown* is intensely determined, the three figures in *The Lonely Ones* are presented comically, including a wicked take-off of Dudley's old director, Martha Graham.

In the other works, created over the past decade, she ranges from Schumann to Schoenberg, from Bartok to the great masters of jazz. The dances are tightly, quizzically contorted in *Five Characters* and *Conclusion*, lyrically expansive in *Bird as Prophet*, relaxed and gently comic in *Paying My Dues*.

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## MONDAY PAGE

# Ministering to the environment

Virginia Bottomley says she was surprised to be offered a job as an Environment minister. How is she coping in one of the Government's hottest seats? Sally Brompton reports

A recent school prize-giving in her constituency, Virginia Bottomley, Under Secretary of State at the Department of the Environment, was introduced as "the wife of Peter Bottomley, the Transport Minister". It says much for her political style that she said nothing at the time, but later slipped into her speech the throwaway line, "We're very fortunate in this country to have as Prime Minister the wife of Denis Thatcher."

Slipping diet cola out of a wine glass in one of the deep chintz-covered armchairs in her ministerial office, Virginia Bottomley recounts the story gleefully.

Ever since she took office at the end of July — "I think in any new job you go from a state of unconscious incompetence to conscious incompetence" — she has been dogged by the inevitable husband-and-wife tag, the result of her and Peter being the first married couple to serve in the same government since Labour's John and Gwyneth Dwyer in the 1960s.

She shrugs off the label. "It's amusing. But for any woman, when you start you'd rather be known in your own right than as somebody else's wife. Besides, in politics generally there are a great number of family connections. It's a contagious business and family relationships seem to play a strong part in catching the buzz." Her father is a former director of the Industrial Society (now chairman of the West Lambeth Health Authority) and her mother was a teacher.

She insists that her and Peter's frantic schedules cause no domestic

problems. "It's really not an issue. On the whole the jigsaw works fairly well, although I can't predict what I'm going to do from day to day. But it's really quite nice working in an area where you've got links with your husband but a difference as well."

"I always say the most difficult role in politics is being the wife of a politician. It's much easier being a Member of Parliament, because the whole nature of parliamentary life is that it's so unpredictable."

**'I come from a tribe of enthusiastic, public spirited women. I believe in causes'**

Whenever you think you're going home, you don't, and whenever you think you're not going home, you do. It's the wives who pay the biggest price.

It is easy to see why this 40-year-old blonde has been described as "the forces' sweetheart of Mrs Thatcher's New Model Army". Intelligent, elegant, charming, amusing and articulate, with none of the obvious high-powered aggression of the stereotypical political woman, it is not difficult to believe the flip suggestion that half the Tory party is secretly in love with her.

Since arriving at the department

she has been confronted with a string of momentous environmental issues, ranging from the saga of the *Karla B*, the Italian freighter loaded with hazardous waste, to the virus which is killing North Sea seals, in addition to the growing public concern about matters such as the long-term effects of the ozone layer, pollution and the greenhouse effect.

When I implied that the Government's current policy towards protecting the environment was perhaps prompted by its recognition of the growing public support (and vote-catching potential) for pressure groups such as Greenpeace and Friends of the Earth, she was predictably defensive.

"I don't think there has been a change in the Government's attitude. I think what has changed is that there's a much greater public awareness. The sign of a responsible government is to be aware of people's concern for the environment but also to base its policy on hard science, having analysed carefully what the costs are going to be."

She is keenly concerned about rubbish — "which labours under the Stieptoe image, but the fact is that if you ask most MPs and the public at large who their waste disposal officer is they are unlikely to know". She is also deeply involved with the campaign for unleaded petrol, which she compares with her husband's drink-drive campaign — "because you've just got to change people's attitudes".

"My whole background is very much as a campaigner. I like having a campaign to promote, a good cause to push, and unleaded



On top of her job: Virginia Bottomley on the roof of the Department of the Environment. "My whole background is very much as a campaigner"

petrol is a particularly good one because we know of the potential damage to children's health and development." She had her own old Fiesta converted about 18 months ago, which is more than can be said for the group from Friends of the Earth who recently dropped in. When she asked them about their cars "there was a lot of shuffling from foot to foot" and the eventual response, "well, actually, Mrs Bottomley, we think we might next week".

Her area of special responsibility, however, and the one about which she feels "particularly excited", is heritage. "I feel very strongly that people need a sense of their past in order to have a sense of identity and prepare themselves for their future."

"People's personal identities are rooted in the buildings in which they work. I know, just in my own

case, I'm extremely happy in the House of Commons because it's a building that's easy to work in."

Her path to becoming a member of the Conservative government was untypical: a degree in sociology from the University of Essex, a masters in science at the London School of Economics, followed by years of dedicated work with caring organizations such as the Child Poverty Action Group.

For the past year she has been chairing a working party on children in prison and has introduced a 10-minute rule bill on child abuse which she sees as a way of "actually making a contribution in Parliament in an area where one's had a long-standing commitment".

Although she was surprised to be given the Environment job — an area in which she has had little personal involvement apart from having the headquarters of the

Worldwide Fund for Nature in her Surrey south-west constituency and "being on friendly terms with all the various environmental groups" — she feels it is an advantage "to come into an area where I haven't made a great number of speeches in the past, so I'm not cluttered with a legacy of commitments, promises and alliances".

She refuses to discuss her private life ("If you mention it, she'll show you the door," her press officer warned me), partly because of her determination to keep her three children away from the public glare.

She met her husband when she was 12 and he was 16, and married him seven years later. "I think that any woman in public life is simply anxious to talk about her work and not who makes the corn-

flakes in the morning," she says. She never planned nor particularly wanted to go into politics, "but I suddenly got terribly bored. It's a terrible thing to say because I'm not innately ambitious but I just become restless after a while."

When someone suggested she should be an MP, her first reaction was "I'm sure I couldn't cope, and then I reflected with my nearest and dearest and decided 'yes, that was it, I really must do it'. And somehow the whole thing fitted into place."

"I come from a tribe of rather enthusiastic public-spirited women who are all very exhausting to live with. I believe in causes; that's what really motivates me. It's very good fortune ending up being asked to do a job where you feel that in a small way you can make a contribution in an area which is important."

## Waiting on servants

It was reported in the City Diary of this newspaper last week that a Mr Martin Spring, who is the editor of a private personal finance newspaper, had advised his subscribers: "Servants have a bad habit of heating the kitchen in winter by switching on the oven and leaving the door wide open. A very expensive habit. If you do that for several hours a day, it can cost you £25 a month or more. So make sure it doesn't happen in your home!"

It would be easy to deduce from this that Mr Spring lives a life as depicted in *Upstairs, Downstairs*, complete with the waiter and the portier and the upstairs maid, that he possesses a baize door and servants' quarters in the attic and that he employs a "Boots" to give Mrs Spring's handbags a going-over with the Min man.

But I bet he doesn't. I bet that the nearest he comes to a "servant problem" is when the automatic coffee-maker goes on the blink, and that the Spring household runs on oiled wheels not because it employs an army of retainers in starched pinnies but because it contains a microwave, a hostess trolley, a dishwasher and a vacuum cleaner with so many tubes attached to it that it looks like a tarantula. I bet that, like the rest of us, the only place Mr Spring has servants is in his sub-conscious.

The author, Alice Thomas Ellis once wisely pointed out



that the only reason why very few women used shopping baskets on wheels was that the rest of us, deep down inside, thought that one day we would employ a servant to do the shopping for us. This struck home immediately. For years I had been lugging plastic carrier bags around, not because I enjoyed weight-lifting but because I imagined that any day now, I would see the return of horse-drawn delivery vans delivering haunches of venison to my front door and that, as soon as she heard the merry jingle of the muffled man's bell, my little maid would rush out to buy his wares, the streamers of her filled cap bobbing prettily in the breeze.

Thoroughly ashamed of myself for this unrealistic attitude I went out and bought a shopping bag on wheels. End of aching wrists, beginning of sense of social deprivation. As I wheel my laden simulated-leather carryall along the Old Brompton Road, I hope with all my might that I do not bump into anyone I know. A woman with a shopping trolley feels the way a man does when he has to appear at a

very grand dinner wearing a rented dinner jacket that is slightly too short in the sleeve.

Yet although we know that we have to do most things for ourselves, the sense that there is someone else around to do them persists. How else explain why I have just bought a set of pillowcases with gopher edging, oblivious at the time that it was *me* who was going to have to iron every awkward little ruffle? I have also noticed on visits to stately homes that the groups of tourists ignore the priceless French tapestries and make straight for the kitchen and laundries where they look wistfully at the rusty mangles and copper saucepans.

I am privileged to know an elegant and urbane gentleman who lives in the style to which I would love to become accustomed. One evening he invited me around to watch television. Instead of the take-away pizza that is usually involved in this sort of invitation, a manservant brought us two trays complete with cut glass, lots of silverware and linen napery. His eyes glued on *Game, Set and Match*, my host was asked to taste the wine, and obliged. On the one hand, I was impressed, on the other, I didn't dare take my shoes off and put my feet up on the sofa. And if my host, or for that matter his manservant, ever caught sight of me with my shopping trolley, I would definitely have to emigrate.

home or in the street, occur in school holidays when the mother is at work?

From: Mary Grundberg, Popes Grove, Twickenham  
I would love to know where the male personnel manager quoted in your article about working mothers and child care has been for the past 20 years or so if he thinks that women spend their time "making breakfast and babies".

It says a lot for society's view when the making of breakfast is seen in the same light as the making of babies — mentioned first indeed. Let's face it, if we stopped making babies, that, ultimately, would be the end of life, civilization and personnel managers, wouldn't it?

From: Sheila McGregor, Bryn Celyn, Rhyl-y-clafdy, Pwllheli, Gwynedd

When my husband received some of his photographs recently, the company which developed them had also enclosed a leaflet offering him the opportunity to have some photographic books on trial for 14 days. As a "special introductory offer", one of the books, *How to Photograph Women* (the cover of which features a topless pose), was offered free. Why, I wonder, from among all the titles was this one "yours FREE"? And why is there no "How to Photograph Men"?

## "Barnardo's care about my son the same way I do".

"I think you should have seen me in 1975, after my wife died. I was completely round the bend, worried about my boy."

"I think someone might try to take my Milan away and I say listen, if anyone tries, they have no chance. I'll fight to my last drop of blood."

HARRY RADZIC, WIDOWER,  
ORIGINALLY FROM  
YUGOSLAVIA.  
HIS SON MILAN, 25,  
HAS DOWN'S SYNDROME.  
BARNARDO'S HELPED  
THEM STAY TOGETHER.

"Then one night a woman comes along from Barnardo's and says she can help. Milan can stay with me and together we can help Milan because Barnardo's knows how."

Milan and his father joined a Barnardo's 'family support project' designed to enable young people with disabilities to stay with their families. These projects — largely pioneered by Barnardo's — provide a highly professional team of staff and volunteers helping each child to achieve his or her full potential.

"Barnardo's teach my lad a lot. He is happy and learning to be a baker. But I am getting on. I ask what will happen when I am gone."

"So even though I am happy, 97% of the time I was thinking of



committing suicide because I was worried about him. But now I don't because of Barnardo's. They have made a plan for Milan in case I suddenly collapse and die."

The plan is part of another Barnardo's innovation — the Advocacy Service. Currently for young people with Barnardo links in Scotland and Northwest England, the service protects the life-long interests of young people with disabilities when their parents die or are incapacitated.

"I am more happy today than anyone in the world because I am sure Barnardo's care about Milan the

same way as I do. Their people are marvellous. I won't be scared a little bit what is going to happen to him."

Today, Milan trains in a bakery run by the Brothers of Charity. His chances of a permanent job, his instructor says, are good.

Clearly, a young man of more ability than disability. But without the caring support of his father — and Barnardo's — the story could easily have been the other way around.



**Barnardos**  
Give young people a chance

If you'd like further information or would like to make a donation, write to: Barnardo's, Tanners Lane, Barkingside, Ilford, Essex IG6 1QG







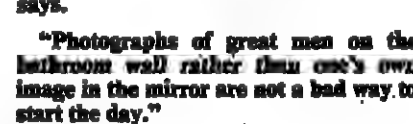




# Lord King, man for all seasons

But his departure, coupled with the resignation earlier this year of his deputy, Mr David Mills, merely added to their anxiety at the present controls on dumping of

Mr Ridley has promised action to improve pollution controls. But a "green" Bill is not expected to be introduced until the end of next year at the earliest.



The thinly populated province of Baluchistan does not carry much weight in Islamabad, and in the North-West

Mrs Thatcher, rather than create trouble at the sensitive time of transition between presidents and anxious to

All known improvements that the new water companies will have to make in the next

Mr Howard told the Institute of Water and Environmental Management: "Investors in water companies will also need assurance that new and inescapable obligations which may arise between reviews can be taken into

authority, which will have a legal duty to secure the achievement of the Government's objectives on the environment, not only to grant or refuse effluent discharge contents but to make a charge for those discharge contents.

<p><b>ACROSS</b></p> <p>1 Thanks a painter twice over for the moon (6)</p> <p>4 Summary of a sailing man's dissertation (8)</p> <p>10 A shearer making outrageous charges? (7)</p> <p>11 A large number demand 29 (7)</p> <p>12 Study the making-up of faces – it would appear appropriate (10)</p> <p>13 Finding nothing right, almost everyone is vocal (4)</p> <p>15 At home, dates may be offered as an alternative (7)</p> <p>17 Turkish furniture (7)</p> <p>19 Relentlessly making a point concerning street-work (3-4)</p> <p>21 Endorsing the motion in a note (7)</p> <p>23 The fool is using drugs! (4)</p> <p>24 Mistakenly trust a line from a person not involved (10)</p> <p>27 Being without pictures it's simple (7)</p> <p>28 A moral offence at home by an agreed – so senseless? (7)</p> <p>29 It gives a man a touch of dignity (8)</p> <p>30 One of those beastly overhands! (6)</p>	<p><b>DOWN</b></p> <p>1 Love creating disorder (9)</p> <p>2 Swear before sunrise to gain access to the underworld? (7)</p> <p>3 They'll put forward suggestions one can build on (10)</p> <p>5 Possibly use about a quarter inside to be fair (9)</p> <p>6 Gather to see a well-known friar (4)</p> <p>7 A couple of animals that can present a problem (7)</p> <p>8 Many in a queue will give tongue (5)</p> <p>9 A man employed in clerical duties (4)</p> <p>14 Non-progressive state – not against development though (10)</p> <p>16 News agency in action is pessimistic (9)</p> <p>17 Dark clothes (9)</p> <p>20 Relatively favourable (7)</p> <p>22 Write one's first letters (7)</p> <p>23 Play the law in America without impact (5)</p> <p>25 Up-market transport (4)</p> <p>26 Port from the wood (4)</p>
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**will appear  
next Saturday**

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Domestication	8.38	4.5	8.56	4.4
Domestic	3.57	8.8	4.21	9.3
Totes	1.02	5.2	1.48	5.2
Work-on-Air	9.11	3.9	9.57	4.0

Information supplied by Met Office

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FT 30 Share	US dollar
1489.0 (+27.8)	1.8170 (+0.0020)
FT-SE 100	W German mark
1823.4 (+20.7)	3.1489 (+0.0017)
USM (Datastream)	Trade-weighted
160.61 (-0.68)	77.2 (+0.2)

 Executive Editor  
 David Brewerton

## Creditors called to DPR meeting

Investors who lost money through the business tactics of DPR Futures, the controversial private client futures firm, are expected to attend the first meeting of DPR creditors on Wednesday.

The firm, closed last month by the High Court at the request of the Securities and Investments Board, is believed to have a surplus of about £1.4 million available to creditors.

The SIB has also obtained leave of the High Court to bring an action for restitution against DPR in an effort to recover money on behalf of investors who succumbed to the firm's high-pressure selling tactics.

The meeting, called by Mr Denis Dolman, the Official Receiver and provisional liquidator of DPR, is likely to discuss the position of investors who lost money through DPR but who do not qualify for restitution. Only investors who dealt with the firm after the Financial Services Act came into force — on April 29 — can benefit from any ultimate restitution order.

DPR allegedly combined high-pressure selling over the telephone with large commissions so as to "churn and burn" its clients. This entailed putting them into futures contracts purely to generate commission for the firm as opposed to acting in the clients' best interests.

The Serious Fraud Office is believed to be studying tapes of telephone conversations between DPR salesmen and unsuspecting investors. It would appear that DPR recorded all its salesmen's telephone calls.

The main purpose of the creditors' meeting is to appoint a liquidator for DPR. The likely choice will be Arthur Anderson, the accountancy firm, which has been acting as special manager of DPR.

The meeting will take place at 11 am at Westminster Central Hall in London.

## City looks for 135p Steel float

By Our City Staff

The Government unveils the price of shares in British Steel on Wednesday and City opinion has already begun to coalesce round a price of 130p to 135p.

At 135p the near monopoly steelmaker would have a price/earnings ratio of 5.2, a yield of 7.4 per cent. This would give the whole company a price tag of £2.7 billion.

Would-be investors must apply for shares by 10 am on Friday, December 2, when the offer closes. Payment will be in two instalments, with the second part due next September 26.

Analysts expect the Government to price the shares below the 140p which had been widely expected to avoid the embarrassment of leaving part of the issue with the underwriters.

Investors will have the chance to buy shares using cut-price dealing services, such as British Telecom's Sharelink, or special rates offered by the Norwich and Peterborough Building Society to its members.

British Steel's position as one of the world's most efficient steel makers followed massive streamlining since the 1970s which absorbed £8 billion of public funds.

# City solicitor hits back on S&N dealings

By Colin Narbrough

Freshfields, the City law firm which advised Elders IXL on its £1.6 billion bid for Scottish & Newcastle Breweries, has accused the Office of Fair Trading of making false claims about the watchdog authority's efforts to stop Elders buying more S&N shares after the bid was referred.

It has also taken the OFT to task for assuming that the Australian group would halt share-buying after the Monopolies Commission referral because it was the usual "practice," and for equating the concept of practice with the more formal idea of "convention."

After a letter from Sir Gordon Borrie, the Director General of Fair Trading, which strongly criticized Freshfields' role in the Elders buying spree of November 10, Mr Hugh Peppiatt, senior partner of Freshfields, held an urgent meeting with Sir Gordon.

At the hour-long meeting, which took place at the OFT offices off Chancery Lane, central London, last Thursday, Mr Peppiatt is understood to have made clear that, contrary to claims by the OFT, his firm had not been asked or required to stop buying S&N shares during the relevant period.

Freshfields, solicitor to the

Queen, has acknowledged receiving a telephone call from the OFT's mergers secretariat at 8.55 am on November 10, informing it that the bid had been referred.

But Mr Peppiatt denied to Sir Gordon that Freshfields had been asked at that time, or at any time before Elders stopped buying of its own accord shortly before 10 am, to halt buying.

He challenged OFT claims that it made a follow-up call at 9.15 am.

During the post-referral buying spree, Elders picked up nearly 10 per cent of S&N, lifting its stake to 23.64 per cent, the maximum allowed at that point under Takeover Panel rules.

The Department of Trade and Industry issued an order barring Elders from further purchases that afternoon, and stripped the newly acquired shares of their voting rights.

The following day the Department announced that, in future, freezing orders would be routinely issued at the same time as a referral decision.

Mr Peppiatt emphasized to Sir Gordon that Freshfields did not accept that it was a convention for predator firms to stop buying shares in a target company after a referral to the Monopolies and Mergers Commission.

Takeover Panel rules ac-

tually allow further buying. Mr Peppiatt criticized a system that allowed an OFT official to think that a company would cease buying because this had been the case in the vast majority of previous referred bids.

Companies had to be able to ask a lawyer what the law required, he argued.

That a practice was widespread did not make it a convention — a term which implied some agreement.

Most companies stop buying after a referral for purely commercial reasons, Mr Peppiatt said.

Elders said it was not asked to stop buying until it had already stopped, and called its move an expression of confidence that the takeover will not be blocked.

It was also intended to frustrate any "poison pill" strategy.

Last week's OFT letter to Freshfields, which sought to clarify the OFT's side of the dispute, said that the 8.55 am call, which told Freshfields of the referral, also informed it that the OFT was preparing a document requiring a signature giving notice of Elders' purchases.

The letter added that the Office of Fair Trading official called back 20 minutes later asking for share buying to cease, if any had taken place since the first call.



Ready for the heat: Gerry Robinson, chief executive, as Compass prepares for its expected flotation early next month

## Compass sets course to float

By Our City Staff

Compass Group, the contract services company formed by a management buyout from Grand Metropolitan in July last year, has issued a pathfinder prospectus for its expected stock market flotation early next month.

Mr John Nelson, of Lazard Brothers, the company's adviser, said Compass's institutional investors believed it to be "one of their most success-

ful buyouts ever". He said the institutions would see an internal rate of return of between 30 per cent and 40 per cent on their investment.

Compass was formed by the buyout — led by JI Prudential Venture Managers and CYN Venture Managers — of GrandMet's contract services division for £163 million, of which about £120 million was debt. The flotation will give the company a market cap-

italization of between £150 million and £200 million.

Almost all the £80 million raised by the flotation will be new money, which should substantially reduce long-term borrowings.

Results for the year to September 25 show increased operating profits to £24.7 million from £16.8 million, although £12.1 million was paid in interest (£3.9 million the previous year). Mr Gerry

Robinson, chief executive, said the increased equity base would "support future growth in existing business and provide greater flexibility to pursue suitable acquisition opportunities".

Compass's core activity is contract catering, which contributes about 75 per cent of trading profits. It is also involved in health care and owns and operates six private hospitals, mainly in the South.

## Talks start to cut Opec output and resolve Iran-Iraq problem

From A Correspondent, Vienna

A proposal aimed at ending the rift between Iran and Iraq over output quotas, and curbing overall production by all 13 states belonging to the Organization of Petroleum Exporting Countries, goes before Opec ministers in Vienna today.

Mr Riwanu Lukman, the Nigerian oil minister and president of Opec, declined to give details.

Informed sources, however, said a deal could involve Iraq cutting its output from its current 2.7 million barrels per day.

Another element could be that Opec would set an overall 1989 production level of around 18.5 million bpd, well below some members' demands for 20 million and in line with Tehran's call for low output to restore worldwide prices.

But Mr Issam al-Chalabi, the Iraqi oil minister, speaking on Channel 4's *Business Programme* yesterday, ruled out any concessions on output. Baghdad had decided to pursue "a policy of maximization of revenue", and would be seeking a quota close to 2.7 million bpd.

He nevertheless predicted that a price of \$18 a barrel would emerge from the Vienna meeting, based on Opec production of 18.5 to 19 million bpd. North Sea Brent Crude ended last week at \$12 a barrel.

Opec production in the first

half of this month is estimated to be as high as 23 million bpd, up from 21.7 million.

A sense of gloom prevailed ahead of today's meeting with analysts predicting that if Iran and Iraq cannot resolve their dispute, the meeting will end without the unanimous agreement needed to convince markets that the cartel is ready to curb cheating on quotas.

The effectiveness of Opec could also be at stake. Algeria and Saudi Arabia have even asked privately whether the increasingly fractious organization should not be allowed to wither away.

Saudi Arabia, Opec's largest producer and the one-time "swing producer" which adjusted its production to make

up for quota breaches by others, now openly over-produces on its assigned 4.5 million bpd as a warning that it will not tolerate cheating and its own sliding oil revenues any longer.

Without an Iran-Iraq accord at Vienna, prices could tumble to less than \$10 a barrel on the glutted world oil markets by the end of this year. The official Opec benchmark price is \$18 per barrel, on a production ceiling of 17.4 million bpd.

Iraq has made clear it will sign a quota agreement provided that it is given parity with Iran. But Iran argues that as it has three times Iraq's population, it should be allowed a higher quota.

## Plessey may seek defensive link-ups

 By Derek Harris  
 Industrial Editor

Plessey, the electronics company which is the target of a £1.7 billion bid from the General Electric Company and Siemens, established "a whole series of alternatives" in talks with its advisers on its defence strategy at the weekend.

One possibility is for Plessey to seek co-operation deals involving parts of its operations, said Mr Stephen Walls, managing director. As well as its half share in the GPT telecommunications company, a joint venture with GEC, Plessey is involved in defence electronics and micro-chip manufacture, transport

of the bid — Plessey will not be taking any action to seek a competition block on the bid. This means it will not, for now, lobby the Office of Fair Trading to refer the bid for monopolies investigation, nor will it press the European Commission to take action. The Monopolies Commission thwarted GEC's previous bid for Plessey in 1986.

Monopolies action has been seen as possibly Plessey's best hope of avoiding the clutches of GEC and Siemens. The prospect of a white knight coming forward is thought to be unlikely because any rescuer would be faced with GEC having first option to buy out Plessey's share in GPT.

But Mr Walls said: "Quite



Stephen Walls: list of options and other electronics equipment.

Mr Walls said: "We need to see the offer document on this bid before settling the timing and detail for our strategy."

Until the document arrives — which might be a matter of weeks because of the complex-

ity of the bid — Plessey will not be taking any action to seek a competition block on the bid.

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But Mr Walls said: "Quite

apart from the competition question we have a very long list of options. We have a lot of friends who are interested in helping."

Within Plessey's defensive thinking are "national interest" factors applying to the company, such as its stake in solid state physics and the defence industry.

Before the formation of GPT Plessey had been looking at other collaborative possibilities in telecommunications, including some on the Continent. Mr Walls said. Such links were still a possibility.

He added: "Aside from telecommunications we have been very active in looking at other collaborations for certain sections of our business."

## New pact on coffee in doubt

The future of an international agreement between coffee producers and consumers to prop up world prices is in doubt after negotiations failed to narrow differences.

Delegates at the International Coffee Organisation talks in London last week said failure to reach a new coffee pact, to replace the one which ends next September, would leave the oversupplied market without support. Traders say this would start a price crash that would seriously hit debt-laden developing economies.

The main problem is how to deal with the unregulated market in coffee sold to non-ICO members at large discounts.

Wardle Stores' offer documents for its £85.4 million hostile bid for Armstrong Equipment, the shock absorber and industrial fasteners group, expected to be published today, is understood to claim that Armstrong will have to incur provisions of up to £1.2 million, as a result of the Statement of Standard Accounting Practice number 24, effective from next July.

The provision changes the practice affecting pension fund surpluses. Armstrong has made no contributions to its pension fund for some time.

Wardle is also understood

## Wardle focuses on '£1.2m provision'

By Wolfgang Münch

to claim that stock-related losses (estimated at up to £4 million) at Armstrong's York plant were no simple accounting error, but a result of setting prices too low. If Wardle Stores succeeds, Mr Brian Taylor, managing director, is understood to see price rises as the only way to achieve pre-tax margins of about 12 per cent in the next two or three years, against 5.3 per cent in the year to July 2.

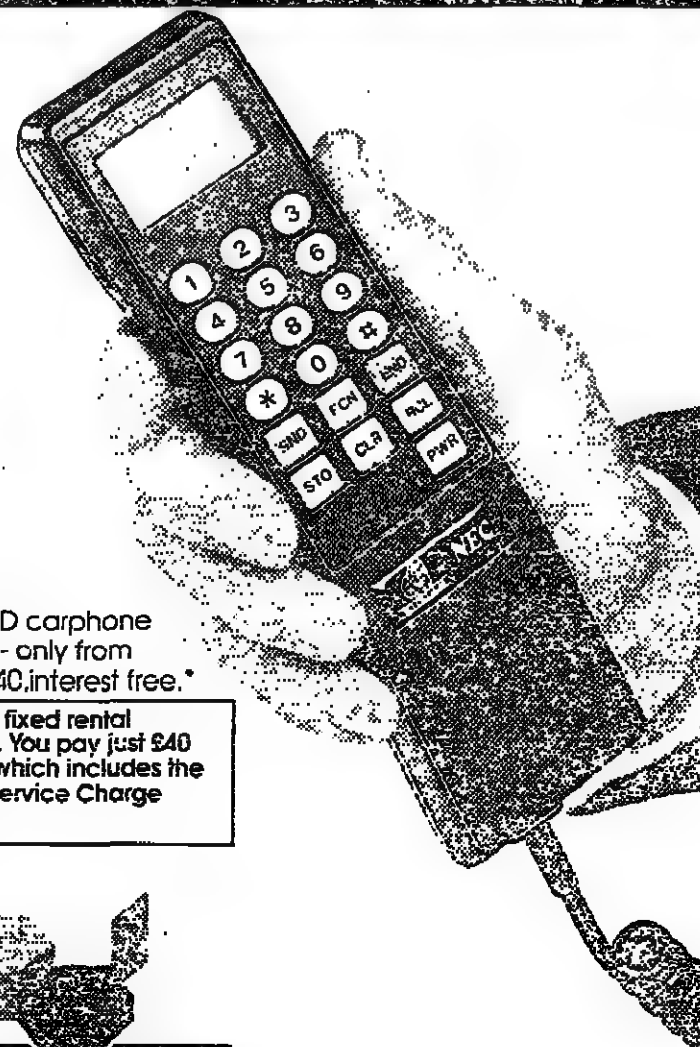
Wardle Stores will claim its return on capital amounts to 157.7 per cent this year, compared with Armstrong's 20 per cent.

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● Details, page 26







# City eyes turn to GFW's sale of 29.9% Ranks Hovis stake

**TODAY**  
Interims: Brown Shipley Holdings, City Gate Estates, CML Microsystems, Control Securities, de Morgan, Emap, Govett American Endeavour Fund, Parkland Textile Holdings, Stocklake Holdings, Tomorrows Leisure, Unit Group, Volex Group, Welpac, Wilshaw.  
Finals: Diploma, GPG, Piccadilly Radio, Shani Group.

**TOMORROW**  
Ranks Hovis McDougall, the food group chaired by Sir Peter Reynolds, forecast full-year pre-tax profits of £156 million — up from last year's £116 million — when it was staving off Goodman Fielder Wattle's hostile £1.7 billion bid at 465p a share and so analysts are pinning their hopes on that figure.

For the moment, RHM's profits performance is of less interest as dealers await news about Goodman's sale of its 29.9 per cent stake in RHM. Goodman has asked for an additional cash bid for its 29.9 per cent stake, but has so far received none at an acceptable price. RHM's shares currently trade at about 360p, but could soon drop to a more fundamental level of between 320p and 340p should the market hear that GFW had sold its shareholding cheaply.

The Australian group was reported to be looking for at least 450p a share.

**Interims:** Christie Group, Cosalt, Delmar Group, German Smaller Companies Investment Trust, Monks Investment Trust, Powell Duffryn, Ranks Hovis McDougall, Sedgwick Group (third quarter), Shaftesbury, TR Property Investment Trust, VSEL Consortium, Walker & Staff Holdings, Marine Adventure Sailing Trust, Parkway Group, Radio City (Sound of Merseyside).

**WEDNESDAY**  
BAT Industries, headed by Mr Patrick Sheehy, recently won control of Farmers Group, the American insurance company, after a bitter, eight-month battle. Today, it reports its third-quarter figures.

Mr Charles Pick, an analyst at Nomura Securities, the Japanese securities house, believes that trends in the third quarter have been less favourable and he has trimmed his full-year estimate by £30 million to £1.6 billion.



Patrick Sheehy: Nomura's forecast cut

Sir Peter Reynolds: £156 million expected

He is going for a 15 per cent increase in third-quarter profits to £367 million, making £1.01 billion for the nine-month period, but gives a warning to shareholders to beware of the possibility of a dull set of figures, once adjusted for smoothed investment gains.

Courtaulds, the textiles group, in which Mr Kerry Packer, the Australian businessman, owns a 5 per cent stake, is expected to reveal interim pre-tax profits broadly similar to last year's £102.2 million.

Profits from textiles and fibres will be extremely depressed, but softening the blow will be a buoyant five-month contribution from Salscor, the South African pulp business (since sold) and strong performances in paint and packaging.

Mr David Buck, an analyst at Barclays de Zoete Wedd, the broker, is looking for profits of £101 million pre-tax and he thinks that the accompanying statement will be crucial for the Courtaulds' share price.

Magnet, the building materials and kitchen/bathroom retailer, this year disposed of its Southern-Evans merchandising operation to Harrisons & Crossfield for nearly \$84 million.

The sale was well received by analysts who believe that it would immediately improve Magnet's margins and also

provide cash to enable the board to fund its store-opening programme during the next two to three years.

Analysts are hoping that today's interim figures will provide further bullish news. They have pencilled in a first-half pre-tax profit of £36 million compared with £25 million last time.

In addition, they expect that trading should have been buoyant in the first six months, helped by a wider

market turnover during the period, but analysts do feel that the fall in earnings will be less dramatic than the 53 per cent reported by Morgan Grenfell and the 42 per cent fall at Kleinwort Benson.

SG Warburg's performance has been helped by a strong showing by its fund management side, MAM, with analysts going for a profit here of £15 million, while the firm's heavy involvement in some of the big corporate finance deals — notably the Swiss bid for Rowntree — will also have been beneficial.

Analysts take a cautious view of Warburg's second-half prospects, particularly since the market-making price war has accelerated recently.

**Interims:** BAT Industries, Blacks Leisure Group, Broad Street Group, Courtaulds, Hogg Robinson PLC, Imry Merchant Developers, John J Lee, Magnet, Marston, Thompson & Evershed, Mercury Asset Management Group, SG Warburg.

**Finals:** Canuar Group, Radio Clyde, Sanderson Electronics.

**THURSDAY**  
Boots, the chemist, continues the stores reporting season with what analysts expect will be an unexciting set of half-year results. Mr Mark Chewer at SBCI Savory Mills, the broker, predicts a fall in pre-tax profits from £115 million (excluding property) to £109 million.

Some have erroneously assumed that US short-term rate increases are bad for medium- and long-term paper. However, the yield on the 30-year bond is 12 basis points above its April level, while the 90-day T-bill rate has risen a remarkable 214 basis points over the same period.

The sharp rise in short-term rates has enhanced the prospect of zero or negative growth in the economy during the next year, and has thus enhanced the prospects for long-term bond price appreciation.

Investors willing to endure some turbulence in the near term in Treasury bonds will be richly rewarded for their patience.

The increased workload in

the latest quarter came mainly from heightened activity in private housebuilding and commercial sectors. BEC's autumn state of trade inquiry shows. The inquiry, published today, surveyed 600 building firms of all types and sizes.

Mr John Parsons, chairman of BEC's economic and public affairs committee, said while it looked as if there would be a levelling out in growth next

year, the outlook was still "distinctly promising." The survey shows that 76 per cent of firms expect to increase their workload next year, while 44 per cent report increased inquiries for work. Sixty four per cent were operating at, or near, capacity.

Mr Parsons said demand would start to affect demand later, and noted signs that housebuilding was tailing off.

Building industry boom continues

By Colin Narbrough

The building industry was still booming in the third quarter this year, despite higher interest rates, and the trade is looking forward to further growth next year, albeit with some levelling off.

The continued vigour of building demand looks likely to lead to higher employment and tender prices in the short-term, according to the Building Employers Confederation.

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## Greenspan ready to raise borrowing costs

From Maxwell Newton New York

The currency traders' powerful attack on the dollar has added further to deflationary pressure as short-term interest rates have boomed since the attack on the currency.

An increase in the discount rate and the prime rate is now not only justified by the rapid cost increase in short-term money, but is widely expected.

The impact on medium- and long-term bond prices has been minor compared with the devastation in the short end of the fixed-income market. The share market is poised precariously, adversely affected by each upward tick in short-term rates. Morale on Wall Street is very low; no-

body is making any money from normal trading (in stocks or in bonds), and only the emergence of leveraged buy-out (LBO) and takeover deals is offering relief to horrendous overhead costs.

The startling rise in short-term interest rates has collapsed the yield curves. The yield spread between three-month Treasury bills and the 30-year bond has flattened as T-bill rates have risen. When the market crashed last year, the spread was more than 300 basis points. This August it was about 200, a month ago it was 135, and last week it temporarily dipped below 80.

By last Wednesday, the spread between three-month Eurodollar and T-bond rates

had already inverted, with Euros yielding an incredible 9 1/2 per cent compared with the long bond yield of 9.05 per cent that day. Last week's flattened Treasury yield curves represent a six-year low.

The spread between Federal funds and the discount rate already justifies a move by the Federal Reserve Board. With the spread at 175-185 basis points, it is as wide as when the discount rate was raised to 6 1/2 per cent on August 9. The fact that nearly every US recession is preceded by rising short-term interest rates and

an inverted yield curve should be fair warning to most investors.

Mr Alan Greenspan, Fed chairman, has given fair warning. He wants to squeeze all inflation out of the US system; he does not want the dollar to weaken further; and, if Congress and the administration do not take early steps to deal with the budget deficit, he will take matters into his own hands.

With the US election out of the way, and anti-inflation hawks dominating the Federal Open Market Committee, the policy-making body of the Federal Reserve system, it is only prudent to expect another move to raise the key discount rate and prime rate.

Some have erroneously assumed that US short-term rate increases are bad for medium- and long-term paper. However, the yield on the 30-year bond is 12 basis points above its April level, while the 90-day T-bill rate has risen a remarkable 214 basis points over the same period.

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TEMPUS

# Why Kelt's bid does not add up

Is it possible that Kelt Energy could have done its sums wrongly?

Without becoming too involved, the arithmetic goes something like this. Kelt has offered a total of £206 million, 115p a share, for the whole of the issued share capital of Carless, the independent oil company led by Ian Clubb.

It already owns 7.73 per cent of Carless, leaving it with the need to fund £190 million. This is covered by a £199 million loan from American Express bank, of which £104 million is repayable within six months. Kelt plans to meet this obligation by selling Carless's downstream assets.

However, the guarantees and security over Carless assets which Kelt has agreed to give Amex will immediately put Carless's own borrowings of £33 million into default. The disposal of any of Carless's assets over £5 million will have the same effect. In addition, the Amex loan agreement prohibits further secured borrowing without permission unless specifically to repay the Amex loan.

It appears that Kelt launched its bid for Carless in the belief that, flush from the sale of Century Power & Light, Carless had very small borrowings, or even net cash.

In fact, due to acquisitions and the build-up of working capital requirements before

the winter fuels season, Carless has net borrowings of £33 million. Kelt would therefore appear to be about £30 million adrift in its calculations.

Kelt has not formally responded to Carless's criticisms of its financing arrangements, arguing that how Kelt proposes to pay for the acquisition is for Kelt's shareholders to worry about, not Carless's. Kelt claims the money is there but will not say who the lender is.

Mr John Thomson, oil analyst at WI Carr, says: "Given that any new facilities would have to be more than £33 million and would be subordinated to Amex and their £199 million loan, we believe that this is wholly unachievable and the joint company would disappear into a corporate hole from which there would be no recovery."

At the very least, there will be no time to lose between gaining control of Carless and disposing of its assets.

## Fairey Group

Fairey Group, the engineer coming in for its second landing on the stock market, has wisely left a three-day window between the restart of dealings and the close of the British Steel sell-off. Even so, with several research teams professing themselves too busy with BS to worry about



Criticisms: Ian Clubb, group managing director of Carless an offer for sale with a tag of just £51 million, less than 15 million new shares available and none of the original investors prepared to sell out, Fairey's listing is not going to be a high-profile affair.

But the chairman and chief executive, Derek Kingsbury, leads a strong, diversified engineer with a key position in several interesting niche markets set for good growth.

Admittedly the glamour of yesteryear, when Fairey built the Swordfish, which sank the Bismark, is long gone. Its former military bridge business was sold in 1986 by its most recent parent, Pearson, to Williams Holdings.

January last year saw the management buyout from Pearson which left the group

with borrowings of £32 million, since trimmed to £17 million and set to fall to £4.5 million, or 16 per cent of shareholders' funds, on the refloating.

Fairey is pinning its hopes for growth on its Red Lion Controls business, which makes electronic counters. Operating profits from its electronics and electrical power division are set to grow by 73 per cent to £4.4 million in calendar 1988.

An orders windfall last year means aerospace and defence, normally a stable earner, will appear the laggard this year, with profits down 23 per cent to £2.6 million. The business is heavily bound up with the Tornado programme and will benefit from maintenance and

refitting business as more of the aircraft are sold.

This year would see a notional dividend of 5.8p, making a yield of 5 per cent. Meanwhile pre-tax profits forecast at £8.7 million would see the shares changing hands at just above nine times earnings at the offer price, discounting an £840,000 exceptional benefit from a profits holiday, against an average for the mechanical engineering sector of about 10. On this basis, and assuming fair winds in the market, the issue should manage a premium in first dealings.

views of the independent sector. While BG was striding through it with its ambitions and bulging cash balances, the oil exploration and production sector has been kept nearer boiling point than most areas of the stock market.

BG, now digesting Acre Oil, its majority share in Bow Valley of Canada and the international oil and gas division of Tenneco of Texas, has said the coming year will be a period of consolidation although it is still clearly ambitious. So BG is out of the running in the independent sector probably for a year, which means it can focus on meeting the challenges posed by the new rules on its industrial contract prices. BG says the suggested £290 million it could lose due to the new rules was purely a hypothetical answer to hypothetical figures and that the impact will not materially affect the final profit figures.

Coupled with the management's decision to exploit fully its portfolio of derelict gas works sites — and if that means waiting a few years to negotiate the right mix of profitable development, that is what will be done — there is no reason to doubt that BG will be firmly in the ranks of the £1 billion a year pre-tax profit companies in the full financial year.

British Gas served up a smorgasbord of information when it unveiled its interim figures. Elements were unpalatable — notably the larger-than-expected loss on the basis of current cost of supplies — but the majority very acceptable to its shareholders given the predictions of increased full-year profits and a higher interim dividend.

BG is effectively removing itself from the takeover activity within the independent oil sector for the time being. Its sale at a small profit of its 1 per cent stake in LASMO and its declaration that it is not a bidder for the 25 per cent stake in Enterprise Oil on offer by LASMO has caused many analysts to rethink their over-

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GILT-EDGED

## Waiting to see if Thatcher goes for gold

It is decision time for the monetary authorities in Britain: and the outlook for London's gilt market depends crucially on how the officials react.

If they opt for significant austerity, it is quite possible to envisage yields falling within two years to something close to those in West Germany. But if there is back-sliding along the lines of the past, we would have to anticipate a semi-permanent drift to double-digit yields.

Bond prices are essentially a reflection of the interplay of supply and demand within an economy. When supply runs ahead of demand there are "spare" resources in the system. Inflation falls, the balance of payments improves, and the weight of lenders over borrowers causes interest rates to fall.

In these circumstances, bond prices rise high. When, alternatively, demand races ahead of supply, everything goes wrong for bonds. Against this theoretical background, it is relatively easy to account for the dreary performance of British gilts in the 1960s and early 1970s.

That was a time when capacity constraints on the British economy were having their most crippling impact, but it was a time equally when governments were unwilling to acknowledge the reality of the bind in which they operated. Canute-like, they commanded the system to be more productive — and they got wet feet as a result.

The picture changed at the end of 1976, when the economy benefited from a surge in capacity. Initially, the enhanced output was the straightforward consequence of North Sea oil coming on stream, but in the early 1980s the improvement was reinforced by other factors.

A combination of social and political pressures eroded a number of institutional constraints (mostly based on the restrictive practices of the unions), and the result was a further acceleration in the economy's potential.

Rising at barely more than 2 per cent per annum in the 15 years to 1975, it accelerated steadily thereafter, and in the second half of the 1980s may have been running at something above 3.5 per cent per annum.

The immediate implications of this surge in supply were predictably very favourable for gilts. With demand rising no more quickly than it had done in earlier years, the excesses were eliminated at a stroke.

The balance of payments and inflation both improved, the Government's fiscal balance became much healthier and so did sterling. Gilts enjoyed some remarkably good times. Both in absolute terms and, even more impressively, in relation to bond markets elsewhere in the world, London was a superstar.

The relative improvement came to an end, not because the supply-side miracle fizzled out, but because the politicians chose eventually to accommodate demand to the more buoyant levels of productive potential.

Sir Geoffrey Howe, in his last year or so as Chancellor, started the process, and it was extended by Mr Nigel Lawson, his successor. He took control of monetary policy and used it to raise demand to levels not known

since the dread days of Mr Anthony (now Lord) Barber. By 1987, he had taken the growth rate of gross national product up to 6 per cent and he probably achieved an even higher figure in the first half of 1988. The central statistical office data for the period is far from complete but, if the tax revenues generated then are anything to go by, the GNP surge may well have been 8 per cent per annum.

Excesses of this magnitude took their inevitable toll of the economy's financial affairs. The surging pace of domestic demand provoked a rapacious appetite for imports and the trade account duly slumped into deficit.

The heightened demand also bid up the cost of labour. Although the unions had lost their power to enforce, the invisible hand of the market had not. Pay rises in Britain, more or less in line with the European norm in 1985, were running four points ahead of the pack in 1988.

The authorities were slow to see the consequences of their monetary policy, but they did eventually change tack. In mid-summer, a semi-chastened Mr Lawson tightened credit.

Are they going to tighten money for just long enough to bring the current account back to equilibrium and to get retail inflation below 4 per cent?

Or are they going to keep the restraint in place for a couple of years — enough to return the balance of payments to a sustainable surplus and to take the inflation rate down to zero?

The indications are that, if the Chancellor should have his way again, the former alternative — with all its unhelpful implications for gilts — would have to be presumed the more likely.

If, on the other hand, the Prime Minister should extend her authority into the financial arena, the prospects could be very different. With her confidence in full flood again — the result of the recent accolades from Americans and Russians, and also of her judgement having been proved more right than the Treasury's — she may well go for gold on the inflation front.

Money could be squeezed on a long-term basis, and sterling encouraged to rise. Industrialists would complain, of course, as soon as the pound rose through DM2.25, claiming a loss of competitiveness. But monetary hawks could reply that if companies were genuinely uncompetitive, they would not be conceding pay increases so far above their Continental rivals.

Indeed, as sterling continued to rise, wage increases would certainly subside and inflation would substantially undershoot the 5 per cent end-year target. The balance of payments would also generate pleasant surprises. As domestic demand was held in check, imports would falter and exports surge — however high the pound went.

There is no way of knowing, at this stage, how the authorities will jump, but what we think we can say is that the bull case is given "insufficient exposure". The adventurous actuary would think gilts worth a punt.

**Roger Nightingale**  
Group economist  
Smith New Court

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7,763.2m	Bell	1,000	..	10.0	5.4 ..
18.2m	Chapman	465	..	13.2	27 12.2
104.7m	Cramer (T)	149	+0.2	4.3	8.9 12.8
91.3m	Day Motors	129	..	4.3	3.7 10.5
54.1m	Dodge	823	+0.2	3.8	4.1 11.9
30.3m	ERF	476	+0	12.0	2.5 7.2
171.1m	FR Group	252	+0.2	8.6	8.8 12.0
..	General	281	..	..	.. ..
..	General	281	-0.4	..	.. ..
97.2m	Hammitt PC	124	-0.2	3.8	3.1 15.9
7,763.2m	Holmer Motor	848	+0.20	..	.. ..
7,763.0m	Jacobs (West)	90	..	14.0	27 18.1
..	Jaguar (us)	373	-0	14.0	5.1 8.1

23.5m	Wages	179	-3	4.9	8
227.7m	Water	102	-3	8.1	40
18.5m	Local	67	-1	2.8	1.6
6,164,000m	Ship & Country	185	+10	2.8	1.6

SHIPPING					
426.1m	Atlantic Br Ports	488	-3	11.3	2.3
336.1m	Cable	357	-7	8.3	2.5
32.6m	Clarkson (H)	161	-2	7.3	4.6
34.7m	Father (James)	148	-3	5.1	3.2
11.4m	Gray	143	-3	5.5	3.7
17.6m	Jacobs (L)	80	-3	5.6	7.0
—	Martley Docks	649	+3	5.4	2.6
360.2m	Consolid Transport	576	+14	34.2	5.4
2,298.5m	P & O Ltd (a)	576	+6	34.2	5.4
80.9m	P & O S.S.F.	121	-4	7.3	8.0
29.1m	Runciman (Western)	331	-3	10.7	3.2
27.7m	Thames	102	-3	10.7	3.2

ERA Gp 73  
ERA (M) 73

[illegible]

10.3m Tumbult Scott	228	..	6.0	2.6	17
SHOES, LEATHER					
8,655,000 Headgear Shaw	89	..	1.3	1.9	1.8
5,755,000 Lambert Howarth	129	..	1.3	0.4	0.4
5,645,000 Parsons Garrow	139	9-13	7.8	5.0	10.0
44 Br Strong & Fisher	240	6-7	16.0	8.7	2.5
52 1st Shy	270	..	..	..	..
TEXTILES					
974m Allied Text	343	-6	12.8	37	15
13 1st Shaw (Lat)	..	..	8.4	3	1.8
102 1st Shaw (Lat)	..	..	..	..	..
5,405,000 Boston	68	-3	..	..	..
26 1st Shaw	..	..	..	..	..
52 1st Shaw	..	..	10.0	5.0	..
1,070 1st Shaw	..	..	..	..	..
1,270 1st Shaw (Lat)	270	-3	..	..	..

## ELECTRICALS

[illegible]

11.26m Diamond	103	-	-	10.49	10.49
11.26m Emerald	103	-	-	10.49	10.49
10.97m Global Securities	200	-	-	5.3	4.9
4,570,000 Hacking Hammers	25	-	-	0.7	0.0
12.7m Hingham	187	-	-	3.5	3.3
18.4m Jerome (H)	248	-	-	5.5	3.0
12.7m Johnson	187	-	-	3.5	3.3
20.7m Levens	330	-	-	8.9	2.3
30.2m Lewis	462	-	-	12.5	3.8
5,521,000 Lyles (S)	76	-	-	2.7	0.0
12.7m Mackay	187	-	-	3.5	3.3
10.97m Maryland 'A'	268	-	-	7.8	4.0
10.97m Maryland 'B'	268	-	-	7.8	4.0
3,465,000 MSET	136	-	-	7.1	6.3
12.7m Mott	119	-	-	4.0	3.3
2,450,000 Shawnee (P)	51	-	-	2.0	0.9
5,884,000 Shawnee Jersey	130	-	-	5.0	3.9
32.2m Tomlinson	452	-	-	14.0	2.6
12.7m West Trent	268	-	-	7.8	4.0
11.26m Yorkville	26	-	-	11.0	4.8

**TOBACCO**

1.925m BAT (PM)	43	+0.8	24.0	5.4	8.1
1.1m Camel	148	-	-	-	-
1.575m Newmans 'S' (PM)	684	+1.2	23.0	10.0	10.0

• Ex dividend • Ex all • For dividend dividend • Informative  
 payment provided • Prices at closing • Dividend year  
 price includes a special payment • Pre-market listing  
 • Ex dividend • Ex all • Ex dividend • Ex dividend  
 share split 1:250,000 • No significant data

● Ex dividend ● Ex all ● Forecast dividend ● Inter-  
payment period ● Price ex suspension ● Dividend in  
year exclude a special payment ● Pre-merger figures  
● Forecast earnings ● Ex other ● Ex rights ● Ex scrip  
share split ● Tax-free -- No significant data.



## Home Secretary misdirected himself

The weight to be given to matters was a matter for the secretary of state and not the court. But if in the court's view the matter was so small it ought to have been disregarded

together it should say so, such was the present case.

The second incident shed light on Mr Benson's dangerousness which was the only consideration and was in fact shown in law. The only thing that had happened to Mr Benson was that he had been in prison for a short time.

The third incident might have been thought marginally more relevant to Mr Benson's dangerousness. However, it was more than six years and had happened prior to his recommendation in 1983 by the Parole Board to release Mr Benson. That was irrelevant to the present case.

If the Home Secretary was both in incidents into account, it followed that his decision had to be questioned. That did not mean Mr Benson was entitled to be released forthwith or at all. The decision remained with the Home Secretary and not the court.

Mr Justice Nolan delivered the concluding judgment.

Solicitors: Yeale Webster Bristol; Treasury Solicitor.

## Help after sentence

one year, making a total sentence of 2½ years imprisonment.

**MR JUSTICE IAN KIDNEY** said that the appeal had given significant assistance to police, helping inquiries which appeared to be a serious and continuing conduct of another man.

However, there was no principle requiring the Lords to adjust the sentence because of any such help which was given after an appellant's conviction and sentence.

## Prison case

strict limits for applying time and the time limit long since expired. The power of the court to enlarge time was in the case of a clerical error.

Mr Hobson therefore sought permission to withdraw the petition and substitute a new writ with himself in the capacity of a new witness and Gerard Rowan as co-petitioner.

Unlike leave to amend, it is to withdraw and substitute could be given at any time.

However, his Lordship gave leave to amend and leave to substitute should not be given where the effect was

## No public law element in police surgeon post

Once a party had established a *prima facie* case that the damage was exclusively caused by relevant order, then in absence of other material to displace that *prima facie* case the court could, and generally would, draw the inference that the damage would not have been sustained but for the order.

In other words the court sought to approach and deal with the question of causation in a common-sense way.

## Proof of capacity in election petition case

10

## Public function of regulatory organization makes it apt for judicial review

jurisdiction in reviewing decisions of public bodies, his Lordship could find sound reason for concluding that the application of Section 24(1) to cases involving private law as opposed to public law.

A decision or action which was administrative in character was thus susceptible to judicial review. It was necessary to perform a contractual obligation or a breach of a prohibition contractually undertaken, such circumstances, rule 2(2) required, justified judicial review jurisdiction.

The question was therefore whether rule 2(2) applied in the present case. It was not enough that the bank had a contractual relationship with IMRO.

It was necessary that the case should be a court of "the pl of performance of the obligation in question".

His Lordship had not been referred to any of the European sources of interpretation referred to in section 20(5) of 1982 Act, but it seemed clear that "the obligation in question" was "upon which proceedings were founded".

In this case the bank complained that IMRO had failed to take into account matters which it was contractually obliged to consider.

His Lordship was satisfied that the petition could be regarded as based on a breach of contractual obligation.

He also considered Scotland to be the place of performance to that obligation. Regard was to be placed to the place where IMRO had made the decision to effect the transaction.

The place of performance of the obligation to consider the effect of compliance with requirements of rule 4.05 and exercise of the power was thus Scotland, where the bank bore its burdens carried on business with investors.

His Lordship therefore upheld IMRO's pleas to costs and jurisdiction, a continuing the hearing of adjustment of findings and lodging of affidavits.

Solicitors: Tods Murray, & Macleay Murray & Sene

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HONG KONG

FOCUS

A SPECIAL REPORT

# Last days of the great divide

Hong Kong is proving flexible amidst massive change triggered by the switch of sovereignty from the UK to China in 1997. Chris Pomeroy looks at the run-up to transition

The pace of change is simply breathtaking as Hong Kong moves nearer its rendezvous with 1997, the date its 5.6 million people will be handed over to Chinese rule. The economy, political agenda, outlook and skyline have altered beyond all recognition since China's leadership served notice on Margaret Thatcher in 1982 that Britain would have to negotiate in earnest its departure from its last major colony.

The flexibility the territory is showing by stomaching massive changes during this transition period are bringing out the best and the worst of this booming economy — its ability to react quickly to changed circumstances and a residual parochialism that keeps most heads below every parapet.

Five years ago, Britain and China were embroiled in tough diplomatic negotiations over Hong Kong's future. The deadlock was broken when Britain agreed to sever its administrative link after 1997.

Since then both countries' bureaucracies have developed a close working relationship. A Joint Liaison Group, permanently based in Hong Kong, discusses almost everything from internal political developments to air service agreements.

It's clear both sides agree on a general direction for the transition and will not lapse into public disagreement. Individuals may not yet be able to see the future, but there's a feeling that it could work.

Britain has accepted China's role in guiding the pace of the colony's political development even before the formal handover, a strategy that sees co-operation as more profitable than confrontation. Foreign Office officials pri-

vately acknowledge that two detailed critiques of China's draft post-1997 constitution have been discreetly forwarded to Peking.

However, one senior official observed more archly that Hong Kong people had learned ways around the British system and would now have to learn ways around the Chinese. Pragmatism aside, as David Bonavia, former correspondent in Peking and Hong Kong for *The Times*, concluded shortly before his death in September: "Britain cannot avoid shame now and in the future: we have not lived up to our ideals."

China's increased presence — in business, finance and culture — has coincided with a period of rapid growth. Trade links have moved from a relationship born of necessity to mutual dependence.

In 1978, China accounted for only 0.1 per cent of Hong Kong's exports by value; last year it reached 14.4 per cent. Re-exports, a clear indicator of Hong Kong's increasing entrepôt role, have quadrupled from HK\$44 billion (£3.1 billion) in 1982 to HK\$182 billion (£13 billion) last year and have this year overtaken domestic exports.

Hong Kong's foreign trade more than doubled between 1983 and 1987. Since 1985 the economy has grown by more than a quarter. Checked by a tight labour market and rising inflation, this year's domestic growth rate will fall off, to around 7 per cent.

To cut costs, Hong Kong's manufacturers have already shifted most low-end production over the border where wage rates are much lower. More people work for Hong Kong bosses in China these days than in Hong Kong itself. Tourism is booming with arrivals up a quarter this year



The fast-changing pace: China's increasing presence in business, finance and culture coincides with a period of rapid growth in Hong Kong that has spawned many glittering new buildings, such as the Bank Centre in the Central district as foreign investors are lured in by the China market

Following a 20 per cent rise in 1987, dozens of new hotels are being built.

With Hong Kong literally bursting at the seams, Sir David Wilson, the colony's governor, can reel off a long list of infra-structural projects, most of which will only keep pace with recent rapid growth. But there is a flip side. Social welfare provisions are grossly inadequate given Hong Kong's large foreign exchange reserves. Despite budget surpluses, patients still sleep in army cots in the corridors of the largest government hospital, and the surrounding waters are too polluted to swim in.

China's increased presence can bring good news, like cheaper mortgages as the Bank of China group carves out a share of this lucrative market, where investment levels are exceeded only by the US and Japan.

Business analysts also identify the advantages to increased Chinese ties. Intra-Asian trade grew by 29 per cent last year. If this pace continues, regional trade movements they say, will surpass Asian trade with North America.

China's growing trade flexibility, seeking closer links with South Korea, Taiwan and Indonesia in advance of diplomatic links, is a key factor. In the short term, more goods and investment will flow through Hong Kong, boosting growth and counterbalancing its vulnerable position as an export dependent economy.

Closer to home, the administration has made several moves towards internationalizing the territory's business environment. The four-day Stock Exchange closure as the world's markets plummeted last year and the simultaneous removal of the Exchange's head, Ronald Li, on corruption charges, have catalyzed wide ranging reforms which the government hopes will reassure international investment managers.

There are signs, too, that a pile of draconian colonial legislation is being slowly revamped, though that has not stopped the administration reserving the right to censor films for political reasons

which critics see as part of a creeping disrespect for civil liberties at a time when they should be being strengthened. Earlier this year Britain and China came clean and admitted that emigration is a serious problem. Around 50,000 left this year to claim a second passport overseas, around four times the 1985 figure. Businesses are counting the costs of increased staff turnover and rising wages.

Increasing the numbers of Asian nationals companies can import, could ease this "brain drain" and promote Hong Kong's regional role, although government has stopped short of offending local political sensitivities hostile to all forms of imported labour.

The same public opinion supports Britain's major foreign policy initiative to solve the Vietnamese boat people problem. Surging arrivals this spring triggered a June policy change which severed new arrivals' automatic refugee status. Most of the 9,757 newcomers since — labelled "economic migrants" like the Chinese border-runners — are earmarked for eventual repatriation to Vietnam.

Diplomatic negotiations are under way, but far from agreement, British diplomats refuse to speculate even privately on whether this hard-line policy can be fulfilled, at what financial and human cost, and how the rest of the compassion-fatigued world will react.

## Countdown to the handover



1978 March: Governor Murray MacLehose travels to Peking, sounds out China's position on 1997.

1980 July: Britain announces changes to nationality laws, removes right of abode for 2.5 million holders of Hong Kong British passports.

1982 May: Governor Edward Youde takes office.

1982 September: Mrs Thatcher goes to Peking. China sets two-year deadline to complete 1997 talks.

1984 April: Foreign Secretary, Sir Geoffrey Howe, reveals Britain will not retain administrative link with Hong Kong after 1997.

1984 July: Hong Kong Government publishes Green Paper promoting democracy and representative government.

1984 September: Sino-British Joint Declaration unveiled; initiated in Peking.

1984 November: Hong Kong Government publishes first White Paper on representative government; finds majority want direct elections to legislature introduced no later than 1988.

1984 December: Joint Declaration signed in Peking.

1985 May: Joint Declaration ratified by Parliament.

1985 April: China begins selecting the drafting and consultative committees of the Basic Law, Hong Kong's post-1997 constitution.

1986 December: Governor Edward Youde, Hong Kong's unofficial representative during the 1982-84 talks, dies in office during talks in Peking.

1987 April: Sir David Wilson becomes governor of Hong Kong.

1987 May: Hong Kong Government publishes second Green Paper on representative government without advocating any policy direction.

1988 February: Second White Paper published; now finds public opinion no longer favours 1985 start date for direct elections to legislature. Implementation held over to 1991, until after China completes Basic Law mini-constitution.

1988 April: China releases first draft-for-consultation of the Basic Law.

## Concrete vision of the future

Like some alien creature, Hong Kong is changing shape. Around her shores huge reclamation projects are creating new land masses to provide space on this postage-stamp sized island for everything from new port facilities to housing.

The government is currently studying how to swallow huge amounts of water around the old Suzie Wong district of Wanchai, the financial district and West Kowloon, to reclaim land.

Already millions of cubic feet of earth and sand have risen like Aphrodite from the seas around the Kwai Chung container terminal. The terminal recently passed Rotterdam as the busiest in the world. A private group headed by Hutchison Whampoa are undertaking a \$250 million reclamation and terminal expansion project to create a giant seventh terminal.

At least five more terminals are on the drawing board to cope with Hong Kong's growing traffic, in particular the exploding China trade. The port is projected to handle over 200 million tons of cargo by the year 2000, nearly double what it does today.

Even the skyline is changing. In the New Territories, clumps of soaring tower blocks now rise where there were just marshy fields. Some projects have been financed. The sleek new HK\$1.1 billion light rail trolley system built by the Kowloon-Canton Railway Corporation

has been plagued by accidents. It has been attacked as being unsuitable for the crowded conditions of Hong Kong, one of the most densely populated places on earth.

Despite an upsurge in immigration, Hong Kong is exploding at the seams with no respite in sight. Added to this, in taking on the mantle of entrepôt to China, Hong Kong must have the roads and port facilities to forge the growing links with her new Motherland.

A government study dubbed the Port & Airport Development Strategy (PADS) is currently looking at options for a new airport to replace the ageing Kai Tak, one of the only international airports with just one runway.

Its own proposal for an airport on tiny Chek Lap Kok island northwest of Hong Kong has been overshadowed by a grandiose \$1.5 billion scheme promoted by a consortium of Hong Kong business heavyweights. That scheme is the brainchild of one of Hong Kong's brashiest tycoons, Gordon Wu, chairman of the construction conglomerate Hopewell Holdings Ltd.

The scheme would build an airport on reclaimed land to the west of Hong Kong island, and would include massive container facilities, industrial and residential developments and a network of motorways, bridges and tunnels to connect it to Hong Kong and ultimately the Chinese border.

It is, says Mr Wu, "much

better" than the government scheme which would be too far from Hong Kong and would, he says, involve building the world's longest suspension bridge.

While the government ponders its airport options, Mr Wu has aggressively been building bridges with China, both literally and figuratively. Hopewell is building a 181-mile motorway (with 200 bridges) from Shenzhen to Canton and recently completed a giant power station in Guangdong Province.

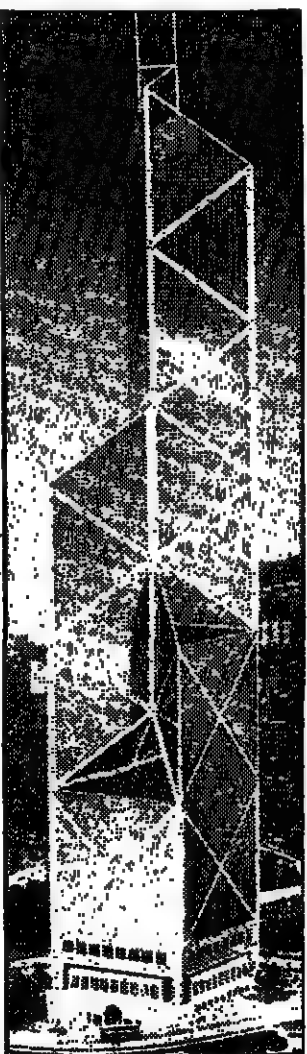
His map, Mr Wu has said, shows no boundaries between Hong Kong and China. His persistence in getting his foot through China's "open door" and in proposing practical projects means Mr Wu has some of the best "guanxi" or connections with the mainland of any Hong Kong businessman.

Other major infrastructure projects in Hong Kong include the privately financed Eastern Harbour Crossing, which will provide a second tunnel under Hong Kong harbour to supplement the ever-gridlocked Cross Harbour Tunnel that opened in 1972.

The project is being built by a joint venture headed by Japan's Kumagai Gumi construction company and the China Trust and Investment Corporation (CTIC) who hold the franchise.

Come 1997, Hong Kong's links with China will be concrete, literally.

Robina Gibb



Supreme gesture: Bank of China Building, the 370-metre creation of I M Pei

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# Fighting off border boredom



Final duties: "C" company from 1st battalion 2nd Gurkhas patrol the border fence with mainland China on BMX bikes

During the Cultural Revolution two decades ago, Hong Kong's 36-kilometre land border with China was a military line of defence, a demarcation between Communist chaos and capitalist growth, writes Chris Pomeroy.

Seven years ago, British troops were kept busy restraining more than 1,000 illegal immigrants (IIs) a week prepared to swim round, dig under, or climb over the fences. Those that made it to the urban area were allowed to stay through what was quaintly described as a "touch base" policy.

Today life is tougher for the border-runners and more boring for the soldiers. Last year, 27,000 IIs were caught and sent back. This year the Hong Kong Government started prosecuting and imprisoning those found in the territory without proper ID.

Fewer than 20 a week now try and come over the fence and the Gurkhas patrolling on their BMX bikes spend more time unwinding pythons from the fence than copping IIs.

Border boredom is a good example of how far things have changed since the army took over border patrols in 1967. As Hong Kong's ties with China have deepened since it began its capitalist experimentation a decade ago, Hong Kong's true border has shifted deep into southern China.

Just across the fence lies Shenzhen, the first Special Economic Zone set up in 1978 on an almost green paddy field site. A decade later it houses 350,000 and looks to all the world like one of Hong Kong's new towns.

Neighbouring Guangdong Province is now established as China's centre for light industry on the back of Hong Kong's investment, spilling over to chase Chinese wages cheaper by three quarters than Hong Kong levels.

Cross-border trade has mushroomed. In 1980, only 0.37 million tonnes of freight passed by rail and road. Last year it reached 5.41 million tonnes, double the figure three years ago.

If for Hong Kong's manu-

facturers the border's presence has reversed economic law to force capital to follow labour, Shenzhen now has its own security measures to deter increasingly mobile mainlanders drifting south.

At night, however, Hong Kong's lights remain a siren in the skies. Twenty per cent of Hong Kong's currency circulates in the southern provinces and a message of economic vigour — the television soap operas — confirm with their pouting starlets an unrealistically spacious lifestyle.

Some 27,000 people a year are allowed into Hong Kong legally every year to start a new life, predominantly family reunion cases. An estimated half million await permission; in some Chinese counties there's a 20-year waiting list.

Ironically, Hong Kong is being slowly squeezed by a chronic labour shortage currently causing significant delays in the construction industry. The Hong Kong Government shows little sign

of making the last great border change of all and opening the gates to foreign contract workers.

Despite the changing environment, aspects of an earlier siege mentality in Hong Kong remain. Immigration restrictions are routinely enforced, including 71 II mothers repatriated last January after registering their Hong Kong born children during an amnesty.

Ironically, the II threat is probably not as large as has ever been made out. No official estimates of the II population are released, but privately one official estimates the total may be less than 5,000. Nevertheless, compulsory ID cards introduced in 1981 at the height of the last influx, are still mandatory and as much a part of local life as cheque cards in England.

Britain's garrison, stationed here since 1842, has already begun pulling out. China has agreed to Britain's plan that Hong Kong's elite Police Tactical Unit double its strength over the next five years and



Local opinion is hardening against the Vietnamese boat refugees whose numbers now total 22,000 in Hong Kong

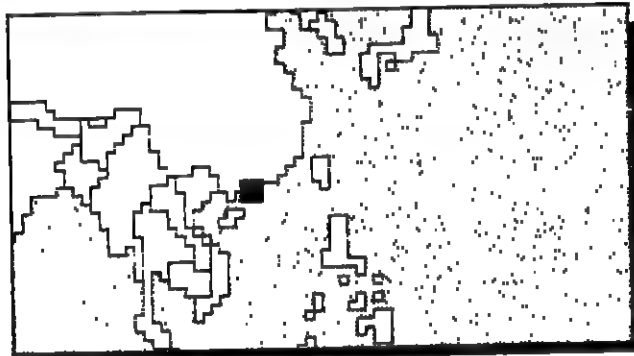
take over border patrol duties from British troops by 1993.

Despite the wind down, Britain will end up paying more for Hong Kong's defence over the next decade. 30 per cent of the final Defence Costs Agreement (DCA), up from 25 per cent during the last seven-year DCA, a compromise finalized several months after the old agreement expired and cutting back Hong Kong's

share of the annual HK\$2.29 billion bill.

Questions remain. The three Gurkha infantry battalions will know their final destination by the Spring. China will likely station around 5,000 People's Liberation Army troops in the territory after 1997, considerably less than the 8,800 British troops now billeted here.

## MAKE IT IN HONG KONG

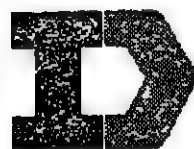


### Hong Kong works

For detailed information about Off-Shore Manufacturing in Hong Kong, contact the following Hong Kong Government Industrial Promotion Office at:

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London W1X 3LB,  
England.  
Tel: 01-499-9821  
Fax: 01-493-1964  
Tlx: 05128404 HKGOVT G

Ref: T



HONG KONG GOVERNMENT INDUSTRIAL DEPARTMENT

## Cooling waves hit the economy

After three years of rapid growth, Hong Kong's manufacturing sector is slowing down. Orders-in-hand in the wearing apparel, textile and toy industries are falling sharply on year ago levels. Output of electronic goods and watches continues to be buoyant. But the overall trend is pointing downwards in line with slower world economic growth.

However, as William Purves, the chairman of the Hongkong & Shanghai Banking Corporation, the colony's largest bank, noted recently, an economic slowdown could prove beneficial for Hong Kong.

Rising wages, high inflation, labour shortages, land shortages and rising raw material costs due to the weak Hong Kong currency have impacted on margins and created supply bottlenecks. An industrial slowdown would help to cool an overheated economy whose inflation rate, unofficially, is over 10 per cent.

Full employment is of particular concern. The colony's unemployment rate has dropped to a historically low 1.7 per cent, and a sharp rise in real wages threatens to damage competitiveness. "It is getting to the stage where I don't think Hong Kong can support high volume, low margin manufacturing any more," says Christopher Chong, an analyst at stockbroker James Capel.

Instead, industry is relocating to southern China, where wages rates are far lower and land more plentiful. The trend



A downturn in textiles could herald a two year recession in the electronics industry. The average monthly wage rate for electronics workers in China is about HK\$400-600, compared with HK\$3,500 in Hong Kong.

Jimmy McGregor, director of the Hong Kong Chamber of Commerce, says that Hong Kong firms employ 1.5 million workers in southern China. Other estimates place the figure as high as two million. In toys, Hong Kong must now share the honour of the world's leading toy maker with southern China.

Relocating output in China is not always easy. Laid Holdings, a disk head manufacturer, has problems trying to service large US orders. Its China workers lack the skills to handle such high volume, skilled production.

But the China card is crucial to Hong Kong industry's efforts to stay competitive. As a result, Hong Kong's export growth is increasingly led by re-exports of goods imported from China. From January to August this year, domestic exports rose 10.6 per cent to HK\$136.42 billion, while re-exports soared 48.1 per cent to HK\$166.77 billion. Re-exports in 1982 were just HK\$44 billion.

Increasingly, Hong Kong industry's welfare must be analysed in the context of southern China as a whole. Soaring exports of Hong Kong goods made in China, currently make it hard

to analyse the degree to which the industry's fortunes are being hurt by a downturn.

But Hong Kong and southern China as a whole still remain heavily dependent on exports to the US. These have fallen from 42 per cent of total exports in the early 1980s to 37 per cent in 1987, but the pace of diversification has been slow.

Historically, Hong Kong industry has also focused on light consumer goods manufactures. This sector will probably be the most hurt by a slowdown in US economic growth.

Current weakness is being felt most sharply by the wearing apparel and textile sectors, by far the largest of Hong Kong's industries. The growth rate in these industries peaked in July 1987, and orders-in-hand by July this year had dropped 17 per cent for textiles and 6 per cent for wearing apparel on the previous July.

However, the US economy's cloudy outlook next year makes the downturn's length uncertain. Novel Enterprises chairman Chao Kuang-piu thinks that a textiles recession could last two years. But a prolonged consumer recession would be very negative for Hong Kong, as prices for unutilised export quotas, which are highly sensitive to an anticipated fall in demand, have been sharply downgraded.

Chris Marchand

## Where nascent politicians long to tread

Three years ago, a large China-appointed committee began the delicate task of pencilling in the Basic Law, the constitutional details of Hong Kong's relative autonomy after it rejoins the motherland in 1997. All the barometers agree they've been making heavy weather of it.

The Basic Law Drafting Committee's (BLDC) public shufflings highlight the most encouraging and the most depressing aspects of Hong Kong's transition: China's apparent willingness to grapple with the merger and its tantalisingly slow progress along the learning curve.

The majority mainland members, conscious they're drafting a Chinese law, generally err towards protecting the sovereignty of "one country" rather than carefully separating the "two systems" — the flip side of Deng Xiaoping's face saving re-unification formula.

To the Chinese, the Basic Law is an instrument of tangible reposssession. For most Hong Kong people, its role remains highly abstract, even though it's intended to safeguard Hong Kong's promised "high degree" of autonomy and limit mainland influence.

More importantly, the drafters' wrangles have dominated and stifled debate within Hong Kong about the pace of democracy, a process hesitatingly begun by the British only this decade and still severely restricted.

Until 1985, the colonial Governor simply appointed his legislature. Four years ago, in the first euphoria of the Sino-British agreement, a British-inspired White Paper discovered most people wanted the vote. This year a similar document decided opinion was divided, an extraordinary volte face that fooled few as Chinese officials have made it quite clear they want to control the agenda for change and slow the pace of democracy.

Without openly contested legislative elections or political parties, Hong Kong not surprisingly suffers from a political vacuum. The traditional British appointment system has come under strain and much of the political debate over Hong Kong's future has shifted to a cumbersome Basic Law Consultation Committee (BLCC) set up to channel local opinion to the BLDC.

As no consensus over the political shape of the future city-state exists among the minority BLDC Hong Kong members, the majority mainland members' reflex — to concentrate power in the executive and enhance China's monitoring role — has filled the gap.

The BLCC is increasingly dominated by a powerful, cautiously anti-democratic business caucus that can accommodate Chinese demands and easily out-manoeuvre Hong Kong's disparate pro-democracy grass roots pressure groups.

If the drafting process has changed the political complexion of the colony, common law legal experts are adamant the drafters' first attempts will need substantial re-writing to meet even Hong Kong's deteriorating political expectations and imagination. Key questions remain unresolved, notably the selection method for the chief executive, the legislature and the first post-1997 government.

The critics, as well as Hong Kong's growing middle-class, expect the final draft will

clearly spell out China's promise of a "high degree of autonomy" and expand upon the essential features of a British-style administration — an executive fully accountable to the legislature and an independent judiciary.

To date, China has plunged for a strong executive, a legislature with fewer powers of veto than at present, and a potentially hamstringing legal system where Hong Kong courts may have to go to China's leaders to find out what laws Hong Kong can call its own.

Many glitches will be tidied up before the second draft, due for release next spring. Those that remain may return to haunt the cosy working relationship between Chinese and British diplomats if the pro-democratic lobbyists drop their current polite tactics and complain more loudly that the draft back-tracks on the ground rules for the 1997 handover laid out in the 1984 Sino-British agreement.

For example, Hong Kong was promised a post-1997 legislature "constituted by elections". If only a fraction of members will be directly

**'To date, Peking's promises of good behaviour have neither allayed fears of change come 1997 nor prevented the colony changing during the transition'**

elects through a universal franchise ballot and the majority "elected" by a slew of committees, professional bodies and local councillors, is this promise being kept?

Selecting Hong Kong's new leader poses problems too. "China regards the appointment of the chief executive not as a mere formality but as part of the control mechanism," notes Denis Ho, QC, a former Bar Association Chairman. "If a narrow-based electoral college is adopted as the means of selection, this lever would become an instrument of total control over the chief executive."

Legal experts are concerned basic human rights will only be safeguarded by legislation, which can be changed, not written into the constitution, which is less permeable. China will obviously retain some rights to interpret the scope of the Basic Law. But in a country where the law makers also interpret the laws they make, will they leave the decisions to Hong Kong's courts?

However, the drafters still have 18 months to re-define the two systems concept whilst protecting the integrity of the one country. To date, Peking's promises of good behaviour have neither allayed fears of change nor prevented the colony changing.

Ironically, it may end up giving Hong Kong more autonomy than it originally intended. However, doubts still remain whether Hong Kong's nascent politicians can use this opportunity to create a stronger, less vulnerable political structure either before or after 1997.

Chris Pomeroy

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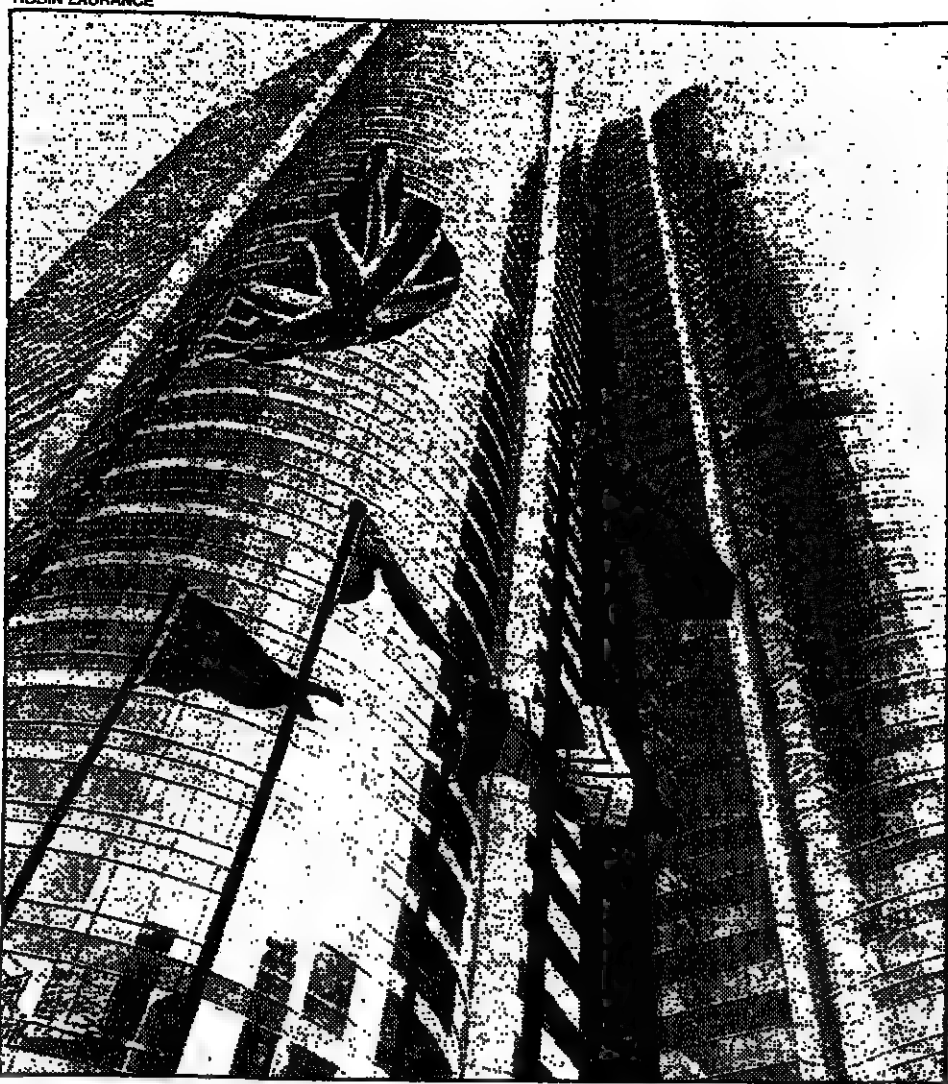


Hong Kong Trade Development Council





ROBIN LAURANCE



A once controversial address: the towering strength of the Hong Kong Stock Exchange

# Faith in flashy towers

The ever-changing Hong Kong skyline. A stretch of glittering skyscrapers jam-packed onto this once "barren rock". Most, like Hong Kong itself, a little too flash, too brash, as they jostle for attention along one of the world's busiest harbours. A skyline punctuated by cranes and bamboo scaffolding, and the steady drone of jackhammers, signalling the emergence of yet another glass tower.

Hong Kong may be suffering pre-1997 jitters, but in the property sector business is booming. Last November's stock market crash caused merely a momentary dip in property prices. Is this the last chance to get in under the net and make a quick killing or a sign of faith in the future?

Most hope it's the latter. But they will remind you that Hong Kong works on five-year returns. And by that calculation, the territory is coming up to the last pre-1997 lap.

But, right now, the constant clatter of construction is a reminder that property is still the fuel that drives the engine of the Hong Kong economy. And for now, that engine is revving at full speed.

Foreigners are getting in on the action too, lured by the highest yields in the world — an average 10 per cent compared to about 2 per cent in Tokyo. High risk, high reward.

Not surprisingly, the Japanese led the pack, last year accounting for 51 per cent, or HK\$5 billion, of all foreign property investment. They are trailed

The colony may be suffering pre-1997 jitters.

but the property sector is booming. Robina Gibb considers the latest speculative developments

by the Australians and New Zealanders with 23 per cent of the foreign action, or HK\$2 billion, followed by the Taiwanese at just over HK\$1 billion and the Chinese at just under HK\$1 billion.

The activity extends beyond office to residential, where the buying frenzy has prompted dire and dour warnings from the likes of the Hongkong Bank, whose chief economist cautioned in a recent report against a return to the "speculative days" of the early 1980s, when such activity helped fuel the spectacular 1982 property crash.

"It would be appropriate to remind those who have a thirst for quick returns of the common Chinese saying: 'Greed can easily be turned into poverty,' the report states.

One spiffy residence, Dragon Lodge, located on the exclusive Peak, was snapped up by Japanese investors for HK\$10 million in November, only to be put back on the market for a cool HK\$15 million in July.

On the office front, in Central, Hong Kong's financial district, space is at a premium and prices are hitting record highs. In swank Exchange Square III they reached HK\$55 per square foot earlier this month. Still a bargain by

Tokyo standards, where one can easily pay three times that.

But Hong Kong's trump card is her re-emerging role as the gateway to China. International interest is already heating up on that account, as Americans, Japanese and to a lesser extent the British, position themselves for the China market.

Lest there be any doubt about Britain's waning star and China's rising star, one need only look to the Hong Kong skyline where the sleek silhouettes of the 70-storey Bank of China building — the tallest building in Asia — which now dominates it and, not coincidentally, the adjacent British-run Hongkong Bank.

Designed by Chinese-American architect, I M Pei, as a tower of diminishing pyramids, the new bank is supposed to resemble a stick of bamboo, slender yet strong.

It will also be a prime business location, when it opens in April of next year, albeit behind schedule and with some questionable "fung shui". (Fung shui: literally "wind" and "water" and the placing of objects in harmony with these forces.) Too many pointed angles, say locals. And, they note, the two massive antennae on the top are

definitely in the "chopsticks in an empty rice bowl" position.

Despite this, leasing agents Richard Ellis say they have let nearly 80 per cent of the space on the available 42 floors — the bank is keeping 23 for its use — at an average of HK\$33 per square foot.

If you don't fancy Mr Pei's new creation, you can choose from a handful of other new monoliths that are rising or have just risen on the skyline. The twin towers of the Bond Centre, is a hot new address, co-owned by Australian property magnate Alan Bond, who shrewdly bought it last year for HK\$1.9 billion and then sold half to EIE Corp of Japan for just over HK\$1 billion, repeating a quick and tidy profit.

The other major downtown developments are Pacific Place, which includes a Marriott Hotel and a new development to house Standard Chartered Bank.

Just along the harbour, in "fringe" Central, the giant new Hong Kong Convention and Exhibition Centre opening soon, is expected to attract trading companies previously located across the water on Kowloon side.

Most predict a slow down next year. With 3.3 million square feet coming on stream by 1991, supply could exceed take — that, coupled with any downturn in the economy, or a crisis of confidence as to the future of Hong Kong could inflate vacancy levels up to 20 per cent. But, for now, no-one is thinking too much about that.

## The making of a financial giant

The introduction in September of new capital adequacy requirements signals the end of a tumultuous era for the territory's banking industry, and the emergence of Hong Kong as the financial giant of the south east Asian region.

As home to over 400 foreign banks, deposit-taking companies and representative offices, Hong Kong is now the world's third largest banking centre behind London and New York. In the last two years alone, nearly a dozen licenses have been issued to banks from Italy, Japan, Norway, Ireland, New Zealand and West Germany.

This surge of international interest in Hong Kong follows a blight of serious proportions. The mid-1980s were marked by bank failures, corporate collapses, and widespread doubts about the territory's ability to preserve its capitalist system after the transfer of British rule to China in 1997.

But the signing of the Sino-British Joint Declaration in 1984, and subsequent progress by Hong Kong and Chinese officials on drafting a constitution for the territory seemed to generate confidence in Hong Kong's future.

Scores of bankers and businessmen have set up offices here, lured by the city's dynamic growth, and by a profit potential that property magnate K S Lo calls "the glamour of China." Foreign

sureties designed to enforce exchange rate stability through increased government intervention in the interbank market.

In effect, the Government's Exchange Fund has now displaced Hongkong Bank as ultimate provider of liquidity to the interbank market. The Fund controls changes in the net clearing balance, and Hongkong Bank, in its account with the Fund, must maintain a balance no less than the net clearing balance of the rest of the banking system.

Having taken on this critical function, does the Government plan to assume the role of a Central Bank eventually? Officials strenuously deny such an intent.

"There isn't any second step as it were," said David Nendick, secretary for monetary affairs. "We are not going to become a Central Bank."

"The behaviour of Hongkong Bank is a matter of some speculation in the market," he says. "It eliminates one advantage — the ability to use the excess funds in the clearing system. But it also removes a responsibility that had sometimes forced Hongkong Bank to put the Government's interests before those of its own customers."

As central clearing manager, and one of two note-issuing banks in the territory, Hongkong Bank has always been a



Lured by the glamour of China: Foreign investment in the local stock market is now 50 per cent of the total volume. investment in the local stock market has risen from a negligible level to 50 per cent of total volume.

Hong Kong's growth, coupled with the increasingly global personality of its banking sector, makes it imperative for the government to bring local practices in line with international standards. The enforcement of risk-based capital adequacy is an effort to achieve that balance.

Although the new regulations could result in higher costs for borrowers, they will help maintain the stability of the banking system, according to Vincent Cheng, chief economist for the Hongkong and Shanghai Bank.

"The trend of international convergence in banking regulations is a welcome development," he said. "It means local banks will compete with foreign banks on a more equal footing."

Under the new requirement, locally-incorporated financial institutions, including those with foreign parents, must maintain capital adequacy ratios equivalent to at least 5 per cent of their risk-weighted assets. But the Banking Commissioner has asked individual banks to maintain risk-asset capital ratios as high as 8 per cent, or 10 per cent in the case of deposit-taking companies.

The Commissioner's decision to assign the higher ratios has rankled the industry, and elicited demands for a stronger appeals process to challenge official decisions. But some observers say that government is clearly indicating its intent to exert more direct control over financial affairs. Other signs have surfaced.

In July, the Monetary Affairs Branch announced mea-

asures designed to enforce exchange rate stability through increased government intervention in the interbank market.

By the end of 1987, the Chinese banks in Hong Kong controlled nearly 20 per cent of bank deposits (excluding interbank placements), worth HK\$139 billion. Their market share grew by more than any other single group, a substantial 36 per cent between 1986 and 1987.

Bank of China's growing presence in Hong Kong has manifested itself in the local equity and futures markets, too. To prevent the collapse of those markets last October, the bank contributed HK\$330 million to a lifeboat facility, and discreetly invested large sums in certain stocks.

The 370-metre high Bank of China building, due to be completed in 1989, is a towering reminder of Peking's growing presence. It is the city's tallest structure, and the fifth tallest in the world.

Coleen Geraghty

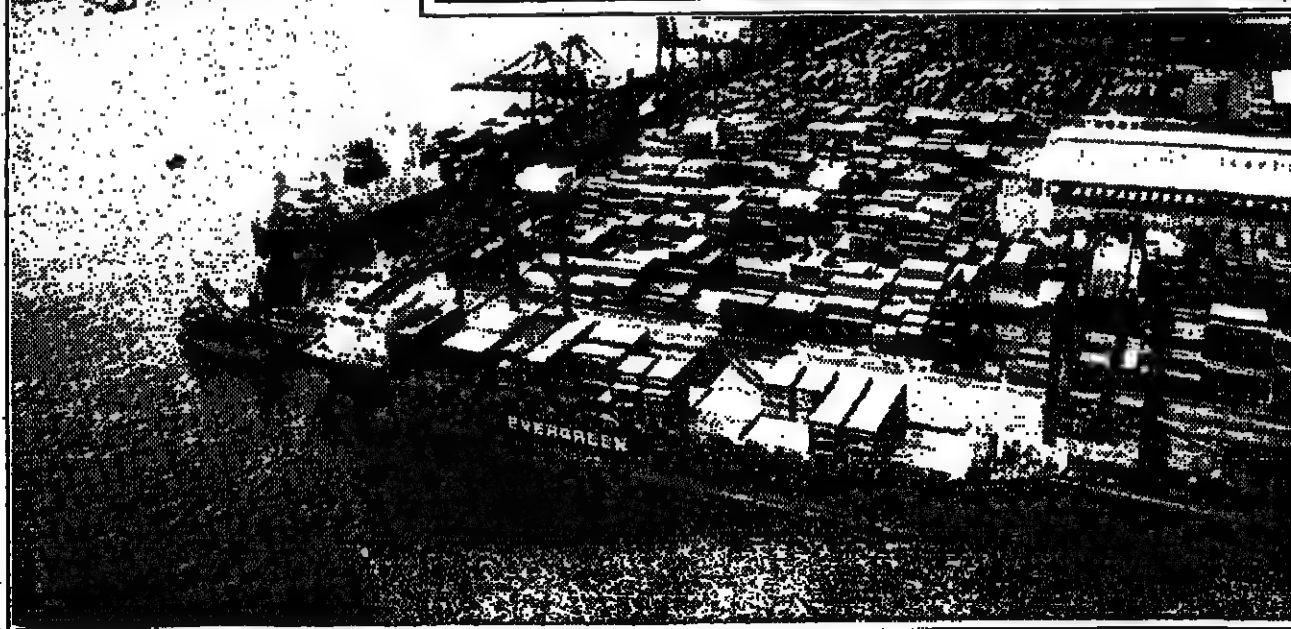


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HONG KONG/4

## FOCUS

## Tea for two at Tsimshatsui

You can pack a lot into a few days in Hong Kong and most attractions are easily found, writes Chris Pomeroy. The eight-minute Star Ferry ride from Tsimshatsui to Central is best in the early morning light. A walk at dusk around the Peak - take the Peak Tram close by the Hilton Hotel - spreads the harbour panorama as the sun sets over Lantau Island.

For the more adventurous, get up at 6 am and stroll in Victoria Park to watch commuters practising tai chi, Chinese shadow boxing, before work, or explore Hong Lok Street bird market in Yau Ma Tei, Kowloon.

The main shopping areas are the up-market malls in Central and Tsimshatsui. For souvenirs, cheap clothes and lower-end electrical items, search around Tsimshatsui's backstreets. Designer clothes from factory outlets, camera accessories and some electronic items are good value.

Central is the financial and business centre; Causeway Bay and Tsimshatsui the major shopping areas. In Central, the Mandarin offers superb standard service. The Mandarin Grill is de rigueur for

business lunches, the Coffee Shop for the afternoon rendezvous. Standard room: HK\$ 1,400. (Tel: 5-220111. Fax: 5-297978.) The nearby Hilton is 20 per cent cheaper, geared to business travellers, and has Hong Kong's best late-opening coffee shop (to 3 am) (Tel: 5-233111. Fax: 5-8681444.)

The Hotel Victoria above Macau Ferry Terminal has the best harbour views from its east-facing rooms. Standard room: HK\$ 1,000. (Tel: 5-407228. Fax: 5-476912.)

On Kowloon, the Peninsula, the grande dame of Hong Kong's hotels, is celebrating its 60th anniversary. Refurbishment has not stifled its air of august tradition.

Extensions opening next year will make "The Pen" attractive to business travellers. Standard room: HK\$ 1,750. (Tel: 3-666251. Fax: 3-7224170.) The Regent is the most spectacular waterfront hotel with two of Hong Kong's best Cantonese and French restaurants, Lai Ching Heen and Plume, and a lobby cocktail lounge frequented by local movie stars. It also has the biggest hotel pool. Standard room: HK\$ 1,750. (Tel: 3-7211211. Fax: 3-7394546.)

## The colony of serious eaters



The preoccupation with eating in Hong Kong goes way beyond mere sustenance. Ken Hom explores the Cantonese passion for good food

That Hong Kong offers some of the world's finest Chinese cuisine (and not only Chinese) is the consensus of food critics the world over. I am in full agreement. It is a venerable cuisine whose concepts, techniques and recipes are rooted in ancient traditions.

What interests me most, however, are the innovations which suggest a new approach towards staple foods and the emergence of young chefs, clearly masters of the ancient cuisine but influenced by the cosmopolitan atmosphere of Hong Kong - for example, Japanese aesthetics, nouvelle and California cuisine. Food is, after all, a form of social history.

Hong Kong is constantly thinking, talking, dreaming about food, with an apprecia-

tion that goes beyond considerations of mere sustenance. E N Anderson Jr and Marja L. Anderson write in their contribution to *Food in Chinese Culture*:

"There was, and at last report still is, a won-ton shop in Yuen Long, that was famous throughout the western New Territories: everyone yearned to eat there. It was a perfectly ordinary, working-class neighbourhood won-ton and noodle place; yet people from all walks of life flocked to it. Western gourmets tend to require an elegant ambience as part of a meal. Chinese are concerned with the food."

There are thousands of restaurants in Hong Kong, from the smallest street foods stalls to the most luxurious elite hotel dining rooms.



Demonstrating the age-old art of making Peking noodles by stretching and doubling dough

Along with work, gambling, shopping and sex, food is central to life here. It is a topic of conversation, a serious study, a source of anticipation in people's lives as they contemplate their next repast.

Hong Kong is open to the world, and is literally a cross-

road of international trade, commodities, ideas, and influences. The new Hong Kong cuisine is merely demonstrating its receptivity to what is best in other regional Asian traditions.

Fried Rice with Pineapple, for example, is an adoption of

was only recently introduced to Chinese cuisine. (Always imported, it is very popular despite its price.) Even mayonnaise, quite un-Chinese, shows up in recipes at posh restaurants.

It must be understood there is no revolution at the eating table: the grand Chinese cuisine still dominates the Hong Kong culinary scene. But the quickening absorption of new ingredients and the novel application of old techniques are reshaping traditional cuisine.

I have noticed, for example, that Hong Kong dim sum dishes are lighter (pastries are fried in oil instead of the traditional lard) and have new spices and flavourings, the use of shrimp paste and Chinese chives, for example.

Hong Kong restaurateurs have to be alert. Lately, there has been a subtle but nonetheless real shift in techniques, ingredients, and concepts in Hong Kong cooking.

The Hong Kong Food Festival between August and September is a good short-cut to this discovery.

Ken Hom is the author of *Ken Hom's East Meets West Cuisine* (Macmillan) and was presenter of the BBC series *Ken Hom's Chinese Cookery*.

ROBIN LAURANCE

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Student travel: A trilingual society is essential if Hong Kong is to remain a leading international business centre

## Trilingual texts spell trouble

For most of this century, there has been an uneasy coexistence between English and Cantonese within education in Hong Kong. Unlike most, if not all countries, the choice of the language of instruction in Hong Kong has not been based on whether it helps learning or not. Instead it has been related to social, economic and political factors.

**Social snobbery.** Hong Kong's increasing importance as a world financial centre and the insistent presence of a British colonial administration for well over a century have all made it unsurprising that English is the medium of instruction in Hong Kong schools.

The cost of producing textbooks in Cantonese for a limited audience, for only some of whom Cantonese is their primary dialect, is also a factor; and Hong Kong University's continuing insistence on English remaining the language of instruction and of examination has helped to maintain the status quo.

The handover of Hong Kong to China in 1997 is certain, however, to create changes in the attitudes to language in the territory. For a start, the official language of China is Putonghua (Modern Standard Chinese) and some schools are already incorporating the language into the curriculum.

As Dr Herbert Pierson, of the Chinese University of Hong Kong has written: "It is unrealistic to think that Putonghua would not be introduced into the general school curriculum, either as a subject or even as a medium of instruction." Such a move is bound to create pressure both on the time available for English and on the attitudes of students towards English.

The difficulties of maintaining a bilingual society, as Hong Kong has striven to be, have proven enormous. Whether a trilingual society can be created must seem doubtful. What is certain is that a trilingual society is needed if Hong Kong is to remain the remarkable international business, banking and communications centre that it has become and, at the same time, manage to be integrated successfully with China.

It does not seem possible for Hong Kong to remain economically successful, to continue with its "stability and prosperity" in the phrase so often used by politicians, unless standards of English are not only maintained but also improved. Already the signs are here that the standard of written and spoken English is falling.

English may be one of Hong Kong's assets to remain competitive in industry, commerce, finance, technology and communications, and mastery of it may be one of the ways to a better salary or even to what is perceived as a better life outside the territory; but there are indications that the English and their language are starting to be seen as anachronisms by some of Hong Kong's youth.

The recent decision to focus more clearly on Cantonese in schools may help to enable Hong Kong's people to communicate more effectively with one another but it is not a decision that has pleased Dr Wang Gungwu, the vice-chancellor of Hong Kong University, who has written that, "for international communication, outside as well as in Hong Kong, English will be essential for a long time to come."

The Llewellyn Report, commissioned by the Hong Kong Government to review the territory's educational system, affirmed in 1982 that: "Hong Kong cannot afford to reduce the emphasis on English in its schools, especially since China has afforded the teaching of English a high educational priority."

It appears that this statement is now being disregarded and one consequence is that Hong Kong University is reluctantly introducing four year undergraduate courses, partly in an attempt to cope with students whose standard of English will be too poor to pursue their fields of study.

The gap between the language competence of graduates and non-graduates will only get wider; resentment at the need for English can only grow. Amidst this confusion, what is clear is that the present system of English text-books, with their innate and alien cultural assumptions, being mediated by predominantly Cantonese speakers, within an educational ethos that places most emphasis on rote learning is causing, at best, uncertainty and, at worst, disillusion and serious learning difficulties.

What lies ahead is unclear but the future of language teaching in Hong Kong needs to be addressed as a matter of considerable urgency. There has so far been, according to Dr Wang, "no evidence of a systematic language policy for bilingualism." That such a policy must be determined, taking into account the need for Putonghua, cannot be doubted by anyone who has a serious interest in the continuing economic success and social stability of Hong Kong.

Ian Bentley

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## FINLAND

## FOCUS

## A SPECIAL REPORT

## A new freedom ahead

Neutral Finland faces the challenge of change between East and West.  
By Kari Huhta

There is change in the East and change in the West, and neutral Finland is in between, wondering what to make of the new opportunities and challenges it now sees. Finnish politicians, accustomed over the years to plod along on safe and well-marked paths, are learning some new steps.

East of the border Mikhail Gorbachev's perestroika is altering the style, if not the political content, of Finnish-Soviet relations. To the southwest the EEC, Finland's main trading partner, is moving towards the single market of 1992, and appears to be becoming more introverted.

On the whole, Finland itself is doing quite nicely for the moment. Things at home are calm, with no major economic or political disasters foreseeable. Conservatives and Social Democrats are getting along fairly well in a coalition government, the real incomes of Finland's five million inhabitants are up, and unemployment is steady at 4.5 per cent.

A relaxation in the political climate abroad is allowing a slight easing of Finland's strict rule of keeping her nose out of the superpowers' business, as a result Finland has a new freedom for manoeuvre. During the autumn some definitions of the limits have emerged in interviews and statements by the president, Mauno Koivisto, and members of the cabinet.

As far as the EEC is concerned, Finland wants to get as close as possible in order to participate in its internal markets, but will not become a member. On other issues, it will not alter its stated, and long-standing, policy of staying out of great power conflicts, but just might express



Neutral opinion: President Mauno Koivisto presses his point with Ronald Reagan when they met in Helsinki this year

some opinions that it was not previously known to have.

In general, Finland will make use of space offered by a less irritable Soviet Union next door, but will be careful not to overdo it.

"We do not seek membership (of the EEC). It will not be considered," Mr Koivisto, a Social Democrat, said after a televised news conference in October. This blunt statement followed a rising debate in Finland and other neutral countries on how neutrality can be reconciled with EEC membership.

The Austrian government, for example, takes the view there are no insurmountable problems because the Community is rapidly losing its military overtones and in Finland some commentators have agreed. But Mr Koivisto has taken the view that the question will not be resolved during this century. Since in Finland the president runs foreign policy, that settles the matter for the moment.

At the same time, arguments inside the Community, for example between Mrs

Thatcher and Jacques Delors, the president of the Commission, on what integration is all about can only weaken chances for neutral membership.

The Finnish plan is to approach the EEC jointly with the other members of the European Free Trade Association (Efta). But the tendency in Austria and, to some extent, Sweden, both Efta members, to go it alone, undermines the Finnish plan. So, though Mr Koivisto might have been able to define what Finland is not doing just now, what it will do in the end remains hidden.

Nevertheless, the adopting of a higher profile in the West clearly has the blessing of both Mr Koivisto and a large majority in Parliament. It is obvious enough that being shut out of the Community's single market would be disastrous for the economy. At the same time, Finland is in the process of becoming a member of the Council of Europe, a harmless organization by most standards, but one that for a long time it was unthinkable for Finland to join.

The fact that Finland did not get as enthusiastically West European earlier than this stemmed from its concern not to do anything to shake the Soviet Union's confidence in Finland's friendly intentions. Even today, predictability is still the word, and Finnish politicians react strongly to any hints of change in foreign policy.

In order to find clear evidence of the changes in Finnish-Soviet relations, one has to look at trade which, it seems, is no longer a test of friendship. The barrier system in trade is on the wane, and the Soviet Union is not giving Finland any new special breaks. Finnish companies now compete with a wide array of companies from other western countries for deals that were previously assured.

With a sharp drop in Finnish-Soviet trade over the past few years, there has also been a corresponding decrease in the liturgy of political relations. Researchers fond of word counts have been looking at public statements, and find more mentions of neutrality

and less of the traditional formulations of required affection.

Mr Koivisto can speak for a long time without feeling that he has to mention the Finnish-Soviet treaty of friendship and mutual assistance — the post-war treaty, regularly renewed, by which Finland guaranteed that it would not allow aggression by third countries towards the Soviet Union through its territory.

Nobody in Finland, with the possible exception of the frustrated far left, argues that all this signals a deterioration in political relations. It can be argued that relations are actually better when they do not need constant reassurance and crutches. Mr Gorbachev, for one thing, does not need to present Finland as an artificial showcase for friendly co-existence in the same way as his predecessors did.

The Finns have already on two occasions been ready to roll out the red carpet for Mr Gorbachev, but so far information on visits has been premature. Mr Koivisto, on the other hand, has visited

Moscow. "Gorbachev has said he travels only when there are questions of substance to discuss, so this is all for the best," was one Finnish comment.

But though the situation looks generally good in the world around, there are still questions that make politicians in Helsinki sit up and take notice. One is unrest in the Baltic states of the Soviet Union.

Estonia, where the first of the Baltic states' "people's fronts" emerged, has close historical ties with Finland, and is the only place in the world where the Finns can make themselves understood in their own language. Finns are following events south of the Gulf of Finland with exceptional interest.

The official view was stated by Mr Koivisto in October: "People's fronts are initiatives by private individuals. We have official foreign policy with official countries, not with movements." He added, however, that at times he felt "restless over what is happening", without spelling out his exact concerns.

Kalevi Sorsa, the Foreign Minister, another Social Democrat, has since repeated the official position, but he added that it is natural for organizations such as his party to be supportive of reform movements in the Baltic states.

During the next two years Finland's line of selective silence will be tested most visibly in the UN Security Council. After the General Assembly had elected Finland as one of the 10 non-permanent members of the council at the end of October, Mr Sorsa gave an assurance that "we will nevertheless follow the principles of our policies of neutrality, a central one of which is not participating in major power conflicts on one side or another".

It was noticeable, however, that soon after that Finland voted in the General Assembly in favour of a resolution calling for the withdrawal of Vietnamese troops from Cambodia. In previous votes Finland had abstained.

## All join hands in the political centre



Prime Minister Holkeri: no far-reaching changes

In a country where the right and the left are in government and the centre is in opposition, the traditional political labels must be somehow misleading, writes Kari Huhta.

This situation is possible in Finland because in terms of policy the parties are virtually standing on top of each other, as close to the centre as they can get.

The Coalition Party (Conservative), and the Social Democratic Party, along with two small centrist groupings, have now been partners in governing Finland for one and a half years, and the honeymoon is not ended yet. It is widely predicted that the partnership will last up to the next elections in 1991.

The coalition was a break in a half-century-old tradition of centre-left governments, but it has not brought with it a far-reaching change in government policy, nor was it expected to do so. The prime minister, Harri Holkeri, is a Conservative, and the Social Democrats have a minority of the portfolios, but it is difficult to say which of the two main parties runs the show.

The government has already, however, overcome three major challenges. Labour laws have been amended in the direction of increased job security, the government has overseen a stabilizing agreement on wages and taxes, and a three-stage tax reform programme is under way.

Compromises between the two parties turned both the labour legislation and the tax bills into shadows of what they were to start with, but they have proved that Conservatives and Social Democrats have the will to sit together in government for the time being.

The Centre, Finland's third largest political grouping, is adjusting to opposition politics with some success, but does not have any really fundamental grievances — other than being in opposition. One

side-effect, a sort of a mirror-image of the problems that emerge between governing, Labour parties and unions, is that the Conservatives' relations with the confederations of industry and employers have gone a bit sour.

President Koivisto had an important hand in the birth of the present coalition, and will have a major say in forming the next one too. He has denied any heavy-handedness in forming the coalition, but few Finnish commentators discount the poor relations between him and Paavo Väyrynen, leader of the Centre, as a significant factor on the political scene.

Mr Väyrynen, 42, was a candidate at the turn of the year for the presidency against Mr Koivisto, who turns 65 this year. Mr Väyrynen is sure to try again, but Mr Koivisto will not necessarily want a third term.

Party support in Finland was last tested in local elections on October 17. They showed little had changed. The Centre made the most gains and got 21 per cent of the votes. Contrary to predictions, the Social Democrats made small gains and remained the largest party with one-quarter of the votes. The Conservatives registered a tiny loss with 23 per cent, but came nowhere close to being frightened out of government.

Of the other parties only the People's Democrats, a coalition of Marxist Socialists and Euro-communists, managed to creep over 10 per cent.

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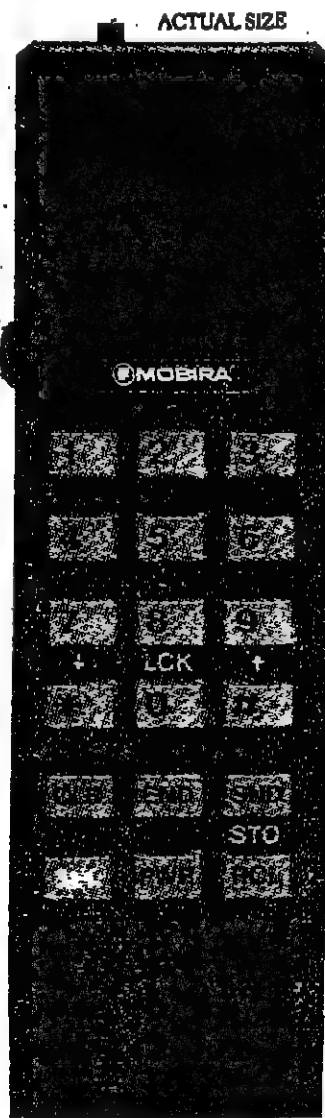
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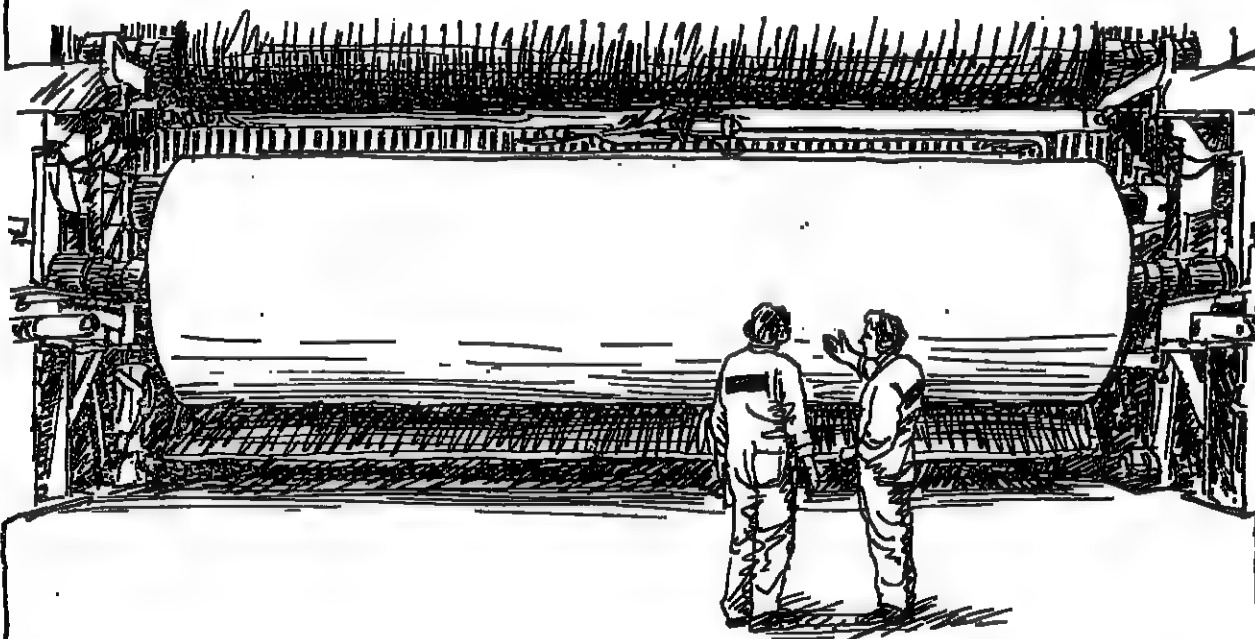
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# Taking the road back to capitalism

ED BYRNE

Though the word 'Thatcherism' causes a shudder among politicians, Finland is facing a revolution in its economic management, says Patrick Humphreys

The Finnish economy has come a long way in a short time. By any standards, it is a remarkable achievement, but it falls well short of the standards the Finns have set for themselves. With the growth rate now faltering, the nation is facing a revolution in economic management.

Any mention of "Thatcherism" sends a shudder through the Finnish political machine, founded on consensus politics. But moderates on both left and right concede that something of the sort is needed to reassert the drive of the individual over the smothering forces of taxation and market concentration.

Such niceties are a far cry from Tsarist days. In the mid-19th century, most Finns were scratching a meagre living from the land. Trade was minimal, and the standard of living in this Grand Duchy of the Russian Tsar was one of the lowest in Europe, less than half that of England.

Finland's economic growth began late, but accelerated fast. Spurred by nationalism, high literacy and an unshakable faith in the virtues of self-improvement, the Finns were enjoying average European income levels by the start of the 20th century.

Independence in 1917 was followed by rapid industrialization and urbanization. Economic growth averaged 4 per cent a year up to the Second World War, and nearly 5 per cent a year for 30 years after it. In the latest OECD comparisons, adjusting GNP per capita for the distorting effects of Finland's high price levels, the Finns are the 13th wealthiest people in the developed world.

They would like to climb still higher, but the power-house is running out of steam. The forest products industry, Finland's principal source of foreign earnings, is still doing extremely well. So is engineer-

ing, the other cornerstone of the economy, despite the slump in oil prices which has cut Soviet demand for Finnish ships and machines. But the economy as a whole is showing signs of flab.

The growth rate, 4 per cent this year and last, will probably be down to 2½ per cent in 1989. The trade deficit seems likely to plunge to at least 15 billion Finnish marks, more than 3 per cent of GDP, next year. On top of everything, inflation is rebounding and will reach 6 per cent this year.

What has gone wrong? The labour movement says that costed big business is responsible. Industry complains of a lack of discipline and incentive among workers. Both are right, and government bears much of the blame. Economic management has not kept pace with growth. Finland, it is still treated like a family business, long after it has developed into a diverse network of often-conflicting interests.

A telling example is the lack of any legislation setting an upper limit on market shares. Cosy concentration has been blamed for inefficiency in wholesaling, retailing, food processing, construction, banking, insurance and other key sectors of the economy protected from foreign competition.

Kalevi Sorsa, then prime minister, observed in 1985: "Finland is a land, not of free competition, but of free cartels and monopolies."

Curbing market concentration has proved politically difficult. Some monopolies — oil importing, wine and spirit sales, fertilizers and long-distance phone calls — are state-controlled and still fondly regarded as part of national traditions.

Many cartels, too, have official backing. The Ministry of Transport, for example, regulates bus routes and road haulage charges. Even the



Life is getting better: the sidewalk cafes in Helsinki are well patronized and, though taxation is high, the Finns are now the 13th wealthiest people in the developed world

number of taxi licences is determined "in harmonious consultation" with the taxi drivers' union. The waiting list of applicants in Helsinki alone runs into hundreds. Late-night passengers need similar patience at the ranks.

In Finnish parlance, "competition" has international connotations. On the home market, the preferred word is "co-operation".

Olavi Väyrynen, a former Competition Ombudsman, recalls a seminar held by the Entrepreneurs' Association on the subject of healthy and unhealthy competition. When tackled on the distinction, an association spokesman said that unhealthy competition affected prices.

The big loser has been the Finnish consumer. But the establishment this year of the new Commission for Competition marked a break with the past. The spirit of consumerism is growing. Already one of Finland's most celebrated and profitable duopolies, cement, is under attack.

The second prong of the fight against inefficiency is tax reform. Though wary of offending entrenched corporate interests, successive governments have not hesitated to meddle annually with incomes and prices. The justification has been welfare.

The reality was the government's inability to check its spending.

At present half of Finland's economically active population pay at least 50 per cent of overtime and other extra earnings in income tax. It is little wonder that employees are more interested in extra holiday than overtime pay, or that performance bonuses fail to elicit better performance.

Turnover tax, levied on most manufacturers but only some of their component services, is a business nightmare, with more exceptions than rules. Another distorting influence is stamp duty, whose only merit is the enormous revenue it generates.

The counterproductive nature of the taxation system is now admitted by both the Conservative and the Social Democrats, partners in the government coalition. The painful process of reform has been started.

Next year the income tax base will be wider and marginal rates a little lower. More reductions, paid for by spending cuts, are being promised in 1990's budget. The joys of standard VAT are just around the corner.

Don't call it Thatcherism, but Finland is on the road back to popular capitalism.

## Industry moves out of the woods on to world stage

The crucial role of forest-based industry in Finland's success as an industrial nation is well known, as is the post-war rise of its metal industries, writes Colin Narbrough. Times are, however, changing fast, and highly successful Finnish companies can now be found in sectors not previously associated with that land of lakes and forests (and precious little in the way of other natural resources).

Long regarding themselves as Sweden's poor cousins, the Finns were awed by the success of names like Volvo, Asea and Electrolux. Now they are emulating Swedish expansion.

Who outside Finland would have expected the world's leading producer of mobile telephones, or Europe's leading maker of chewing gum and disposable dishes, to be Finnish companies?

The fact that they are, and that there are likely to be more Finns stalking the world market, reflects a change of gear as Finland removes trade barriers and exposes its industry increasingly to direct foreign competition.

But this is not the only factor spurring the Finns to seek markets abroad through exports and acquisitions. The creation of the single European market has exercised the Finns more than the nationals of many EEC countries.

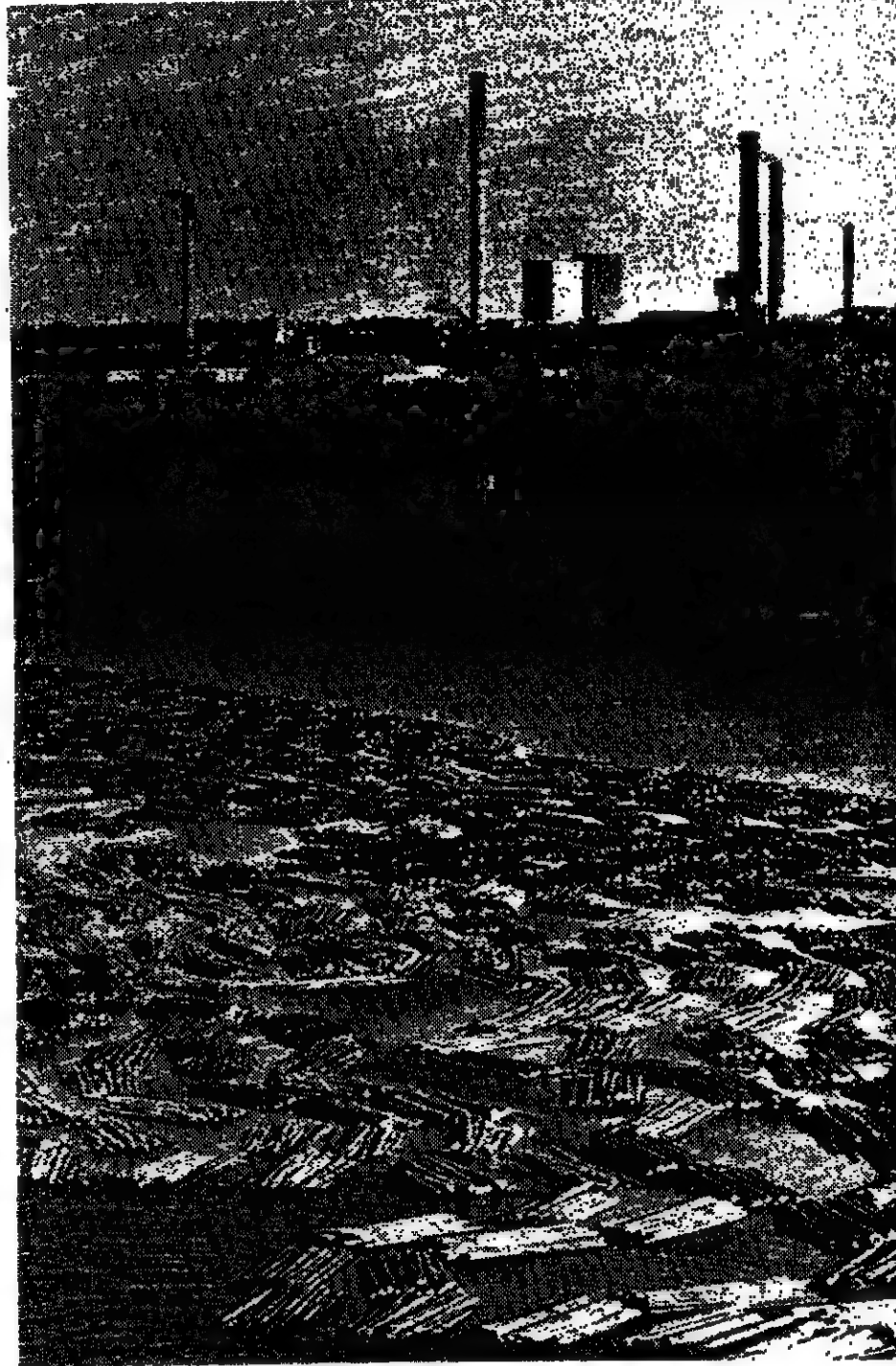
Fears that non-membership (Finland's policy of neutrality bars it from joining) could cut off its main export market is a powerful incentive to guarantee future access by buying into the EEC now.

Not that international expansion is new to the Finns. Under the stewardship of Pekka Herlin, Kone, the lift-maker, managed in the 1960s to take on Ois of the United States and Switzerland's Schindler to become world number three.

There was no rush to follow Mr Herlin. But more recently Finnish firms have been acting more boldly.

Asko Tarkka, chairman and chief executive of Huhtamäki, the confectionery, food and packaging group, has shown that from a modest headquarters on the northern edge of Helsinki, he can command a \$1 billion empire, over a third of whose sales are in the United States.

After its dramatic acquisition five years ago of a leading US confectionery company, Leaf (of Hershey Bar fame), Huhtamäki extended its hold on the world



Sold down the river: the timber industry, though still important, is no longer the dominant feature of the economy that it once was

land's largest private sector industrial group into Europe's third biggest colour television producer and a leading manufacturer of satellite reception equipment.

But Nokia's mobile telephones have given it a high international profile, as the sector is very much a focus of attention in business and commerce. For Mr Kairamo, this success is that of a European, not a Finnish, company.

To secure Nokia's place in Europe after 1992, the company is also co-operating with French and West German manufacturers on the mobile

**Fears that non-membership of the EC could cut off its main export market are an incentive to guarantee access by buying into the EEC now.**

chewing gum market by buying another US firm, Ford Gum, and Maple Leaf of The Netherlands. This year, it added Hollywood Brands to its US operations.

In May this year, Mr Tarkka bought Lilypak, the leading disposable dishes and food-stuffs packaging group in Australia and New Zealand.

This side of the business is represented in Britain by Huhtamäki's Devises subsidiary with a 40 per cent share of the UK market. It has also made a significant inroad into the British chocolate market with its Hella filled bar.

From its Helsinki base, Nokia-Mobira, the mobile phone arm of Nokia, the rubber boot to hi-tech conglomerate, has charted a remarkable course of expansion making it the world leader.

Kari Kairamo, the Nokia chairman, has turned Fin-

land's largest private sector industrial group into Europe's third biggest colour television producer and a leading manufacturer of satellite reception equipment.

Europe is but one leg for Nokia. It recently clinched its biggest ever mobile telephone deal in the United States, worth \$5.6 million.

While the Finns take on global competition in new product areas, the old success stories, such as ship-building, are having serious problems competing with low wages of the developing countries and the subsidies of the richer ones.

The Soviet Union, which long provided the orders to keep Finnish yards afloat, has stopped ordering ships in any volume.

For paper, the situation is different. With 60 per cent of sales directed at the European Community, the wealthy Finnish mills are buying into Europe fast. Large investments at Shotton and Irvine are just a sample of this in Britain.

### Important for Finn carriers: North Sea Ro/Ro Service

By Holger Liljestrand, Helsinki

With regular services that crisscross both the North Sea and Baltic, Finn carriers Oy of Helsinki are well able to satisfy the needs of importers and exporters alike. The company's marketing director, Heikki Pesola, has selected the ports of call with the idea of being in the right place at the right time. As he emphasizes: "In a business like ours customer oriented service is one priority, the other is price."

Vessels in the fleet call regularly at Antwerp, Amsterdam, Rotterdam, Helsinki and Rostock. The company divides its general business into four: Baltic, North Sea, Biscay and Mediterranean. They also have excellent connections with the Great Lakes, Canada, the East and West coasts of the US, West Africa, The Far East, Indian Ocean and the Middle East.

Customers are welcomed with their shipping and forwarding problems and if necessary Finn carriers will arrange special transportation. "We are also involved in overland transportation and, in the not too distant future, it is our intention to be able to offer customers a door-to-door service," Heikki Pesola concludes. "We have agents and working partners in every corner of the world as well as subsidiaries of offices in England, West Germany, Belgium and France. These include specialists who turn a problem into a speedy solution."

Finn carriers have just over 30 vessels at their disposal. Some are owned outright whilst others are managed and run through a variety of contracts. "All in all we have 453 employees on our payroll," Heikki Pesola adds.

"The final reorganization phase has now been accomplished and this has been done with a view to bettering our customers service. To do this we have divided the organization into two profit centres, marketing and traffic. The marketing division concentrates its efforts on the continent of Europe, the Mediterranean and the British

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JP 11/21/88



## FOCUS

FINLAND/3

# Music from the birch forests

The kettle was boiling over a brushwood fire in the dense birch forest at least two hours' drive from anything which could be called a town. Inside the log cabin which served as community centre, local farmers and lumberjacks were gathered to drink coffee and to listen to two hours of classical music and jazz played by a wind ensemble from New York. The encores went on long into the light summer night.

Concerts in the backwoods were the idea of Seppo Kimmunen, the colourful and highly imaginative director of the Kuhmo Chamber Music Festival, which takes place every July in the north-east province of Kainuu, close to the Soviet border. There, in the Bear School by the lake, young internationally renowned chamber musicians rehearse, teach and often play three or four concerts a day, meanwhile tucking into communal meals of reindeer and marinated berries.

Dmitri Alexeev, Gidon Kremer and Robert Cohen clear their diaries for the chance to play at Kuhmo. Next year, attention will focus on traditional and contemporary Japanese music, Beethoven's String Quartets and Finnish compositions.

Within the last 20 years, it has become increasingly clear that music in Finland is more than Sibelius and Paavo Berglund. But it took the renaissance of a major event, the Savonlinna Opera Festival, to reveal to western Europe the extent of what was happening under the topsoil.

International audiences and critics really began to take notice in the 1970s, when the bass Martti Talle, then festival director, mobilized funding and initiated a bold set of commissions for new works.

As well as the characteristically epic production of *Flying Dutch-*



The castle at Savonlinna: Evocative setting for new operas

man, *The Magic Flute* and *Aida* in Olavi's photogenic lakeside castle. New operas such as Aulis Sallinen's *The Horseman* and *The Red Line* inspired excitement and confidence enough in Finnish opera to lead to a joint commission with Covent Garden for Sallinen's *The King goes forth to France*, given its London premiere in April 1987. Last year also saw the Finnish National Opera as guests at the Edinburgh Festival.

Finnish opera, like Finnish textiles and design, is now a highly sought-after export. Names to look out for are Joonas Kokkonen, Einojuhani Rautavaara and the young Aljo Aimala, whose *Thirty Pieces of Silver* receives its world premiere at next June's Ilmajoki Music Festival.

In Finland the voice reigns supreme. The lack of a court tradition — the few palaces and castles Finland possessed were stark fortresses in the wilds — focussed musical development on the church and the schools, and there they sang.

There was the *Kalevala*, too, the compilation of ancient folk poems that forms Finland's national epic and which was sung to one simple pentatonic melody, eminently sui-

ted to variation as ballad, lament or wedding song.

The apotheosis of song, as distinct from opera, is the Joensuu Song Festival. This sturdy lumberjack of a town in the heart of north Karelian song-country is dominated by its timber factories and the Joensuu Bowl, an open-air stadium vast enough for 27,500 spectators and 10,000 singers.

When I was at Joensuu three years ago, there were almost as many *kanteles* as there were voices. This five-stringed wooden instrument, at least 2,000 years old and pungently distinctive of tone, is undergoing something of a revival. Craftsman are creating exquisitely designed new instruments, which have up to 32 strings. Schools and colleges are running courses. Folk-music events feature not only the soloist but marathons of *kantele* orchestras, once heard, never forgotten.

The Finnish summer, short in span, long in daylight, glowing with the bonfires of midsummer, is the focus of 11 big music festivals. The earliest, in Kuopio, starts in June and next year celebrates 20 years of dance and music. The grand finale in August is built from the big mainstream festivals of Turku and Helsinki.

In between comes more chamber music at Naantali, contemporary music at Viitasaari, and jazz, day and night, night and day, at Pori.

The summer's festivals are only the efflorescence of musical life which draws its strength from the schools.

Assimilating pedagogical ideas from western Europe, Hungary and the USSR, schools and colleges give music a dominant place in the curriculum. Even jazz, a minority interest in Finland, is taken seriously enough for the foundation of the Oulunkylä pop and jazz institution in Helsinki.

Hilary Finch

## Heaven for the angler

Two factors combine to make Finland one of the finest countries in Europe for the serious sports fisherman: the terrain and the fact that fishing is Finland's No 1 participant sport.

According to the national gazetteer, Finland has no fewer than 187,888 lakes — one lake for every 25 inhabitants. Add to this a long Baltic coastline that runs south from the frontier of Sweden, along the Gulf of Bothnia, west through the Gulf of Finland, to the doorstep of Russia and many rivers.

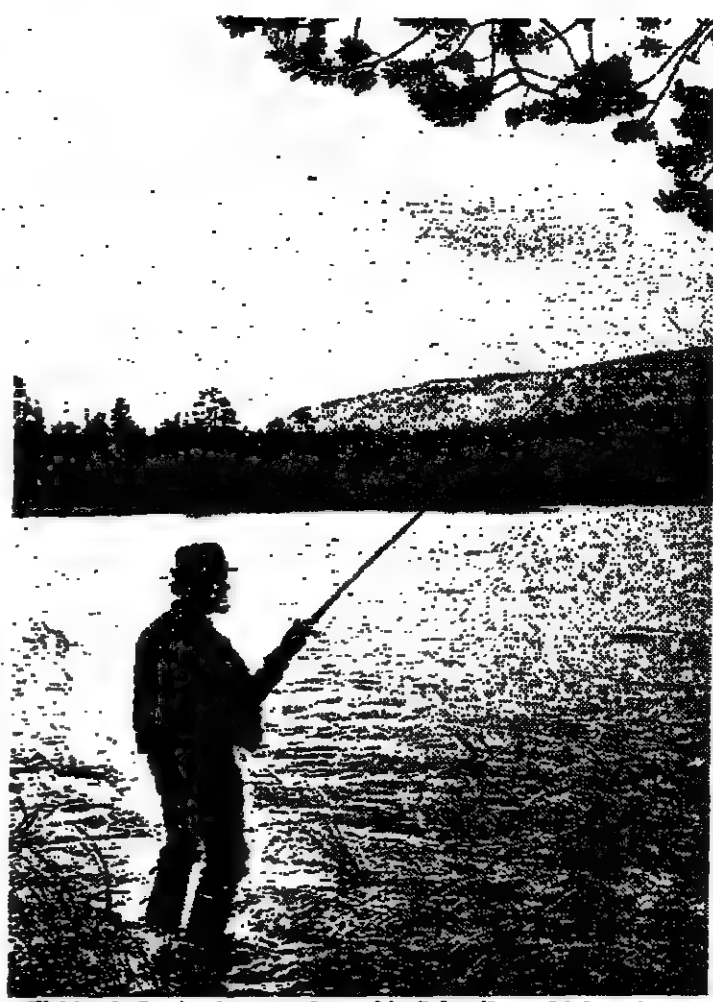
Innumerable rivers flow out of the Finnish forest, all full of fish, all adding their waters to the Baltic Sea and thereby reducing its salinity. It helps too, that Finland has a small environmentally conscious population, one which works hard to keep the waters pure and shorelines free from industrial development.

Given all these basic advantages, it is not hard to see why Finland has perfect fishing waters, which can and do attract fishermen from all over the world.

To these national and natural advantages may be added the fact that the Finns are themselves knowledgeable and enthusiastic fishermen, eager to keep their lakes and rivers well stocked with good fish which the waters of Finland can support in great numbers.

Thanks to the many feeder rivers, the Baltic Sea is not particularly saline and seems to contain sea and freshwater fish in equal comfort, especially in the shallow waters of the Finnish archipelago, south-west of the resort town of Naantali.

The waters of the archipelago are deceptive, for this is in fact a sunken plateau, land which in former times linked southern



Fishing in Lapland: trout, char, whitefish, pike and lake salmon

Finland with Sweden. The thousands of small islands and rocky skerries which make up this beautiful seascape are simply the higher hills of the old land mass, with the Aland Islands as a centrepiece.

The waters here vary in depth, are frequently very shallow, even miles from the shore, and always clean enough to let the sun encourage bottom growth, which in turn attracts a great abundance of fish: large salmon, sea-trout, perch and pike can all be caught here by trolling or spinning from small boats or by casting from the shore.

Every Finnish family seems to have a shoreline cabin for holiday or weekend use, where a lot of fishing and a bit of sauna make up the perfect Finnish weekend. This

has the advantage of providing any visitor with a good supply of local knowledge, for the Finns are fishermen and many Finns speak good English.

Fishing licences can be bought at post offices and cost about £5. To this must be added a small local fishing fee, which can vary upwards from a few marks, depending on the stocking of the water.

The other great delight of Finnish fishing is that the waters are never crowded. On a recent trip to the archipelago, we fished for two days among the islands at the start of the pike season, and saw just one other boat. Fishing is a year-round activity in Finland and many of the keenest fishermen will happily cut holes in the ice and continue fishing through the depths of winter.

This is the place for perch, brown trout and bream

Large fish and good catches are very common. The largest pike ever caught in a Finnish lake tipped the scales at 25.5 kg (56 lbs), the largest salmon 43 kg (94 lbs), a veritable monster. This last was landed from the Tornio river, one of five Finnish rivers where the salmon fishing is superb and kept that way by an intensive programme of re-stocking.

Thanks to this continuous programme of re-stocking, salmon fishing in Finland has so far survived the depredation caused by long-line fishing out in the Atlantic, and good catches, in size and number, are still very common. Trolling and spinning in the archipelago, we were able to boat good numbers of pike and perch and two good-sized sea-trout, without much delay.

One good and very tasty fish which we tried and failed to catch is the whitefish, very common around the Aland Islands and caught commercially in good quantities, but reluctant to appear during our visit.

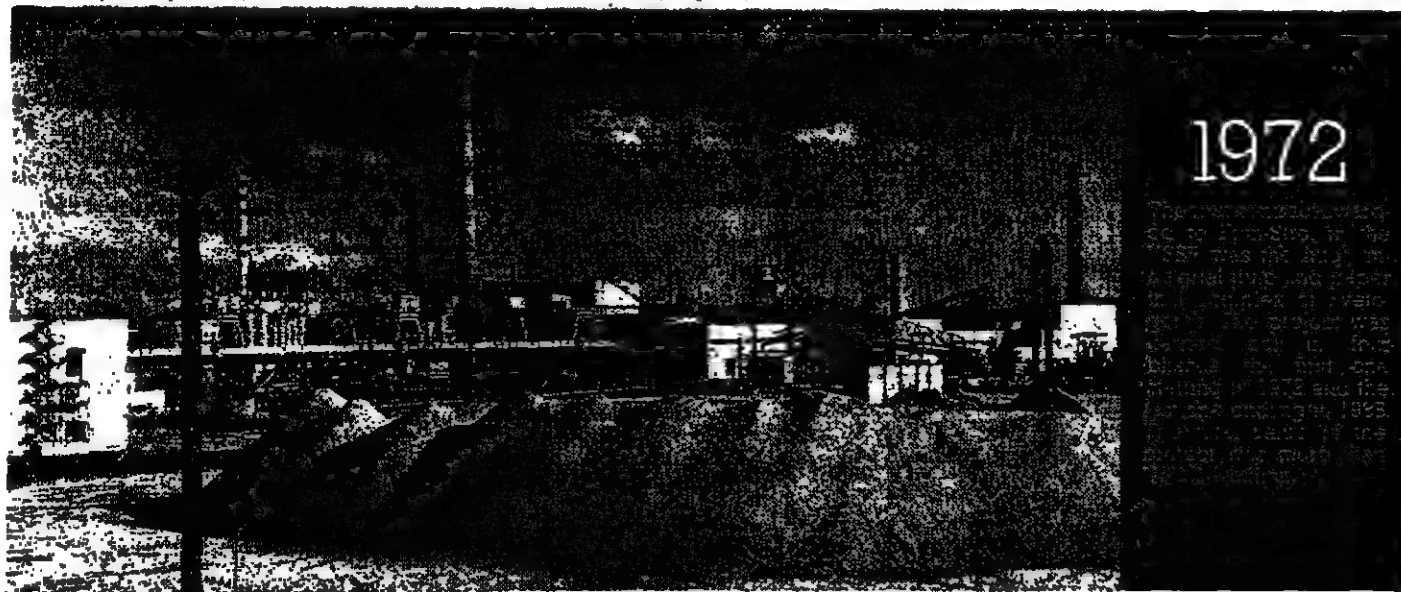
Apart from sea-fishing in the Baltic and around the archipelago, there is lake and river fishing. The main lake region of Finland lies in the south-east, between the towns of Tampere in the south-west and Joensuu in the east, close to the Russian frontier. This is the place for perch, brown-trout and bream, with the best season from August to October, though the month of May is almost equally good.

Lake Inari in Lapland is the largest lake in the country and full of fish, trout or char, whitefish, perch, pike, lake salmon. The season in Lapland runs from June to October, with ice-fishing available in winter, which may indeed be a good time to go, for the Lapland mosquitoes are both numerous and ferocious in the summer months.

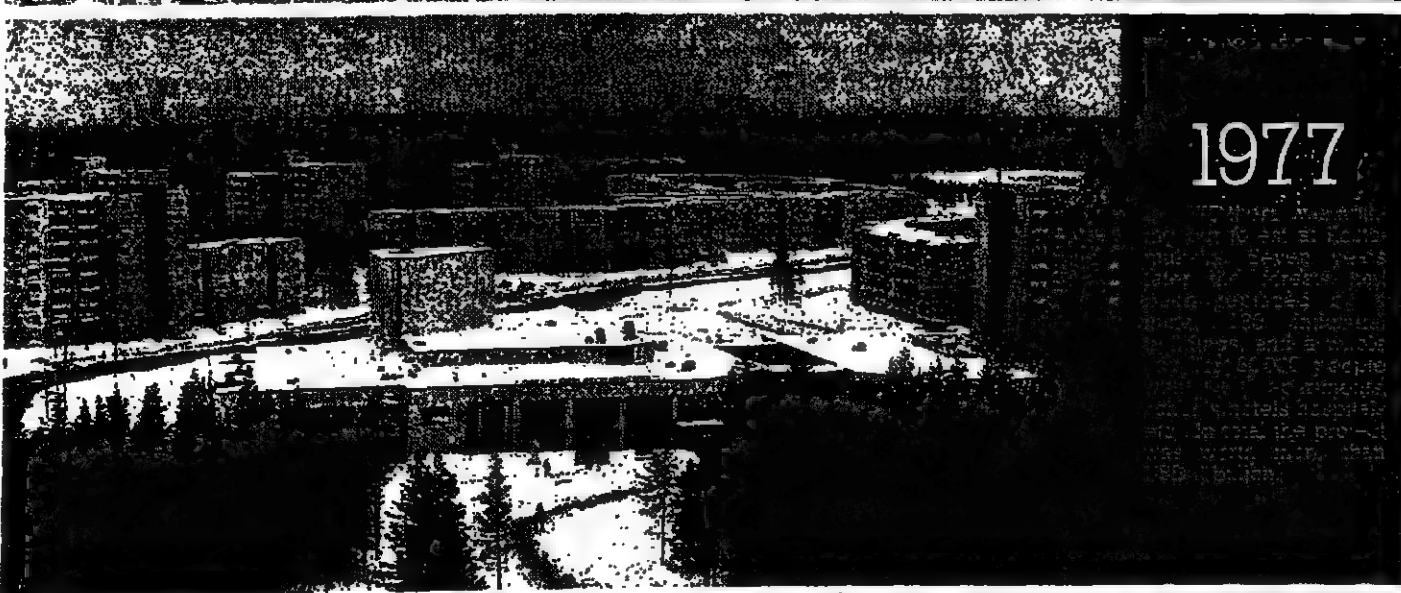
Indeed, any fisherman in Finland needs a good supply of repellent, for the insect life can be a considerable trial.

Robin Neillands

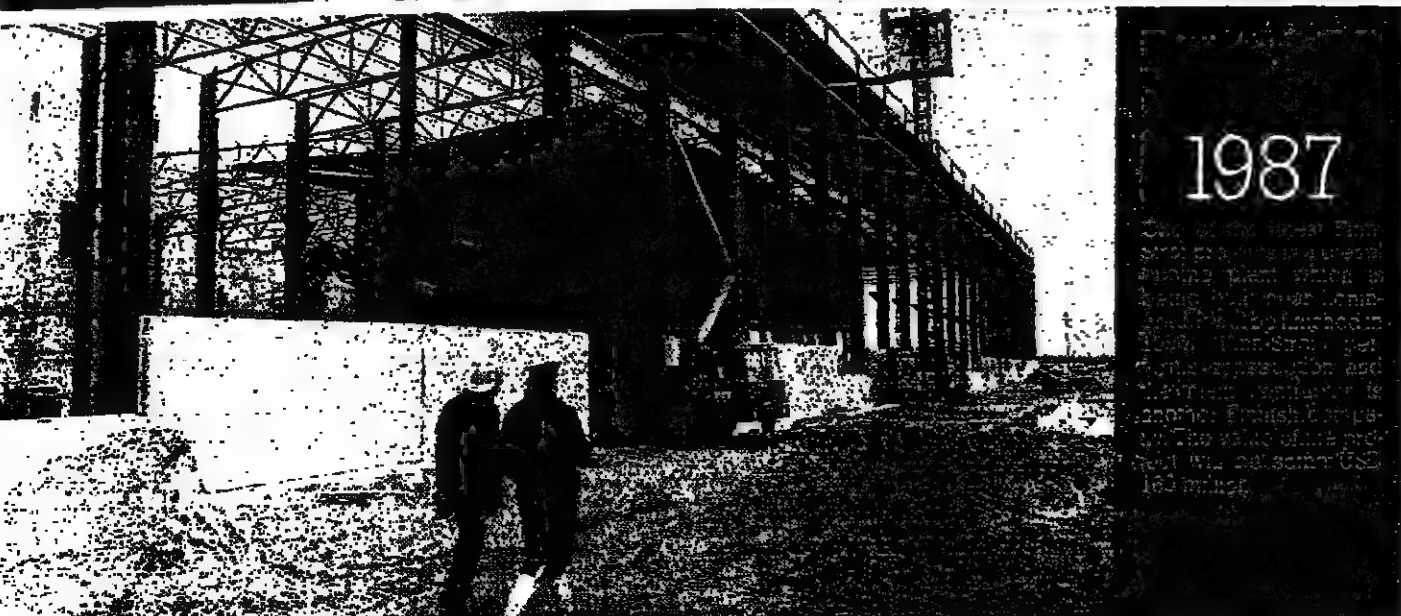
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Also Mr. Esa Seppänen in Moscow and Mr. Antti Huhtala in Jakarta, Indonesia, are at your service. The addresses are Finn-Stroi Ltd., Ul. Dobrynskaja 7, 117049 Moscow, tel. 237-12-50 or 238-51-75, and Finn-Stroi Representative Office, Jl. Warung Buncit 300 A Jakarta 12760, tel. 799-22-91.

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## EDUCATION

Edited by David Tytler

## The threat to our language

David Tytler on the furore among traditionalists and free-thinkers following the report on the teaching of English in our primary schools

It would be a tragedy if the teaching of English became lost in a flurry of nonsense over the literary values of Noddy and Thomas the Tank Engine, Oscar Wilde and James Herriot.

Generations of our children since the Second World War have lost the ability to speak, read, and write their own language, one of the most expressive, if difficult, in the world. That is not to say there is no room for dialect or regional differences: they are as much part of the beauty of Britain as the changing landscape. But as a nation we should at least be able to understand each other, never mind the need to make our voices plainly heard in the shrinking world of 1992. We need to know the basic rules of our language.

And that is what lies at the heart of the report on the teaching of English in primary schools in England and Wales.

Unfortunately, both Kenneth Baker, the Education Secretary, and the authors of the report seem to be caught in the opposing demands of the two most vociferous sides of the argument.

The traditionalists are disappointed

that there is not to be a return to the stricter teaching of grammar, English grammar, says Professor Brian Cox's working party, cannot be taught in a Latinate way, learning by rote is off the agenda.

The free-thinkers will be concerned that Mr Baker's exhortation to give greater emphasis to pupils' mastery of the grammatical structure of the English language heralds a return to parsing by the playground door.

Mr Baker's request is a reasonable one. He believes that children must begin to learn to use the language of their country clearly. To do this they must understand why certain rules are followed: the function of the noun, the verb, and the adjective; that capital letters and full stops are the tools to understanding, not the ornaments of pedantry.

He feels that the working party has not attached sufficient importance to the understanding of grammar, an oversight he expects the National Curriculum Council to put right by February.

The difficulty lies in the contention that it does not always matter that standard English is used. There are



Trapped by the language reformers: Kenneth Baker, the Education Secretary

occasions, say Professor Cox's team, when phrases such as "we was; he ain't done it; she come here yesterday; they never saw nobody; he writes really quick; themselves" are perfectly acceptable. These non-standard forms, they say, are rarely more than a social irritant to some people.

The Education Secretary appears to agree that it is only important that children should recognize the occasions when these non-standard forms — there is no right or wrong — should be avoided, for example when writing job applications or in formal interviews.

Like many education theories it does make life difficult for the teacher. It appears that teachers will be expected to tell their pupils that there is one way of speaking and writing when you want to better yourself, but elsewhere you can treat the language as you wish. Almost a matter of "speaking posh" as circumstances demand.

There is no doubt that standards have been slipping, partly, perhaps,

because of the difficulties in striking a balance between unhelpful calls for a return to traditional methods and the freedom of expression that allows children to enjoy school. The dilemma is perfectly illustrated by many primary teachers who fail to correct spelling in creative work for fear of stifling a child's imagination.

Confused and disappointed parents will look to the national curriculum and its attendant attainment tests to improve standards, to set yardsticks by which their children can be judged. So nobody will argue with the report's assertion that children should leave primary school able to understand the spoken word and express themselves effectively; to read; to make themselves understood in writing; to spell, making only mistakes in relatively infrequent words; and to write fluently.

But the argument will come as to whether the message that is going to the schools is clear enough... If children are expected to speak and write with a clear voice, they and their parents have a right to expect that teachers will do the same.

## Ministers' opting-out flagship hits rough seas

By Douglas Broom  
Education Reporter

that requiring parents to seek the approval of their bishop would have preserved the principle that church schools are for the benefit of the whole Roman Catholic community.

A quite different problem confronts parents in Tameside, where the Labour-controlled council faces the

**Council's school sale move is likely to backfire with a cut in grant**

prospect of losing control of Andeshaw High School.

In a series of pamphlets and letters, aimed at the parents, the council has suggested that schools which opt out of its control would find their pupils barred from civic amenities such as swimming pools and leisure centres.

Last month, the council sold

off the site of the school to a private company in an attempt to frustrate the opt-out plan. In the event, the scheme is likely to backfire badly on the council.

Under the Education Reform Act, the cost of maintaining a school which opts out will be paid by the Government. A figure equal to the sum involved will be deducted from the money the council would normally get in central grants.

Hence every penny in rent which Andeshaw has to pay to its new landlord will be clawed back from the council, making a mockery of its claim to have been acting to "protect the ratepayers".

Of course, the situations of the Roman Catholics and the Andeshaw parents are very different. But the challenges that both groups are facing should alert ministers to the importance of ensuring that their initiative is not stifled in its infancy.

## Free colour wallcharts

Five free colour wallcharts on information technology are being offered to schools in Britain by The Times and Microvitec, the computer firm. The charts cover *The Impact of Electronics, Interactive Video, Computer Literacy, Computers in Business and The Future*. The first chart is being sent to all schools and the full set can be obtained by completing and returning the coupon enclosed with the first chart, or by writing to: The Times/Microvitec Offer, Microvitec plc, Futures Way, Bolling Road, Bradford BD4 7TU.

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## EDUCATIONAL

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## UNIVERSITY APPOINTMENTS

## Cranfield

Royal Military College of Science  
Shrivenham

BRITISH AEROSPACE CHAIR  
IN  
COMMAND AND  
COMMUNICATIONS

Applications are invited for this new chair within the School of Electrical Engineering and Science. It is envisaged that the appointee will, in conjunction with British Aerospace and other defence organisations including MOD, build up a substantial research group concerned with the engineering of complex, large-scale Command and Communications systems. Broad topics for investigation will include the development of suitable theories, analysis and design methods, and implementation strategies for Command and Communications systems, but it is anticipated that special emphasis will be placed on techniques associated with the early phases of the development cycle particularly system modelling, prototyping and requirements analysis and validation. The role of knowledge-based approaches to provide high-level command-oriented functions and of open system architectures to support interoperability will also be of significant interest. The Command aspects of the task also place an emphasis on the role and performance of the man-in-the-loop as part of the overall Command/Control function. A knowledge of the Human Factors and Man-Machine interface elements of complex systems is also extremely relevant. As such, these activities will build upon, and complement, the work of existing active research groups associated with Software Engineering and Military Communications.

It is the intention to build, at RMCS, a centre of excellence that can serve the wider defence community with research, consultancy and specialist courses.

Application form and further details may be obtained from the Personnel Office (PO) RMCS Shrivenham, Shrivenham Wiltshire SN6 6LA. Tel (0793) 785421 or 785403 quoting ref SEES 17/88. Informal enquiries, in confidence, to Professor Godfrey Townsend Tel (0793) 785221.

Closing date for applications  
31 December 1988.

UNIVERSITY OF  
BIRMINGHAM

Department of  
Accounting and  
Finance

## Two Lectureships

Applications are invited from candidates with a degree or equivalent qualification for the following posts:

**A. Lecturer in Information Technology**  
(Reference C/1959)

Candidates should have experience and expertise in one or more of the following areas: spreadsheets, databases, statistical software. A knowledge of accounting is desirable but not essential. The appointee would be expected to develop courses and course material at the accounting/IT interface.

**B. Lecturer in Accounting, Finance or Banking** (Reference C/4059)

Candidates should have an interest in the application of the subject to developing countries. The appointment will be on a three year rolling contract.

The appointments will be on the Lecturer Scale (£9,260 - £19,310). Further particulars and application form from the Assistant Registrar (Commercial), University of Birmingham, P.O. Box 363, Birmingham, B15 2TT, to whom the form should be returned by 15th December, quoting the appropriate reference number.

An Equal Opportunities Employer.

CITY  
UniversityDepartment  
of Law

The Department is proposing a substantial expansion of the courses it currently offers and wishes to appoint a lecturer or senior lecturer to play a key role in these developments. The ideal candidate would be prepared to specialise either in contractual/commercial law or in property law.

Salary will be on one of the following scales: Lecturer A: £10,710 to £15,950; Lecturer B: £16,555 to £20,760; or Senior Lecturer: £21,720 to £24,360 per annum inclusive of London Allowance. The starting date is flexible.

Further details and application forms are available from the Academic Registrar's Office, City University, Northampton Square, London EC1V 0HR. Telephone 01-253 4399, Ext. 3037. Closing date: 16.12.88.

## LECTURESHIP IN ENGLISH

Applications are invited for a Lectureship in English to commence on 1 October 1989 or such other date as may be arranged. The lecturer will be expected to make a substantial contribution to teaching and research in the field of Renaissance literature, especially Drama.

Appointment to the lectureship will be made, depending on age, qualifications and experience, at one of the first five points on the scale for lecturers: Grade A: £9,621, £9,867, £10,461, £11,070, £11,682, rising to £14,502 with eligibility for USS. The appointment will be subject to a period of probation of up to three years.

Further particulars (please quote ref. 88/7) are available from the Personnel Office, The Queen's University of Belfast, Northern Ireland, BT7 1NN. Closing date: 16 December, 1988. The University is an Equal Opportunity Employer.

THE UNIVERSITY  
OF BIRMINGHAMCHAIR OF FINE ARTS AND  
ART HISTORY  
AND  
DIRECTORSHIP-DESIGNATE  
OF THE BARBER INSTITUTE  
OF FINE ARTS

The University invites applications for a newly-created Chair of Fine Arts and Art History, to be filled from 1 October 1989, together with the Headship of the Department of Fine Arts and Art History (this latter to be held for five years in the first instance). The successful candidate will succeed to the Barber Chair of Fine Arts and the Directorship of the Barber Institute of Fine Arts (with responsibility for the Barber Library) on the retirement of the present Barber Professor and Director, Professor Hamish Miles, OBE, on 30 September 1990. The University seeks a scholar of high repute with competence in curatorial matters who will be able to build up Fine Arts and Art History at Birmingham to an international standard.

The salary will be in the professional range (minimum £23,570, permitted average £28,820) plus superannuation.

Further particulars may be obtained from the Registrar and Secretary (ED), University of Birmingham, P.O. Box 363, Birmingham, B15 2TT (telephone 021-414 4538, FAX 021-414 4534). The closing date for applications (2 copies) is 3 January 1989.

The University is an equal opportunities employer.

UNIVERSITY OF  
LIVERPOOLDepartment of Materials  
Science and Engineering  
New Blood Lectureship in  
Electronic Device Materials

Applications are invited for the above post, tenable from 1 January 1989, or as soon as possible thereafter. The post is for research and teaching in the area of electronic device materials, broadly defined to include semiconductor, superconductor, electrical ceramic and magnetic materials. This appointment is primarily for research in its initial years, and candidates should normally be aged 35 or under on appointment.

The Department has an international reputation for its research and extensive links with industry. It is particularly well equipped with electron microscopes and it is a national centre for metal organic molecular beam epitaxy (MOMBE).

Initial salary within the range £9,260 - £16,345 per annum on the Lecturer A or B scale.

Applications, together with the names of three referees, should be received not later than 15 December 1988, by the Director of Staffing and Recruitment, University of Liverpool, P.O. Box 147, Liverpool, L69 3BX, from whom further particulars may be obtained.

Quote ref. RV/190/T

An Equal Opportunity Employer

University of Cambridge  
Professor of Law

Applications invited for the above Chair tenable from 1 October 1989.

Present pensionable stipend £27,828.

Applications (10 copies), marked "confidential", should be sent, with the names of two referees, to the Secretary General of the Faculties (from whom further information may be obtained) at the General Board Office, The Old Schools, Cambridge, CB2 1TT.

Closing date: 21 December 1988.

UNIVERSITY OF OXFORD  
Ruskin Mastership  
of Drawing

The Ruskin Mastership is a post of distinction, with effect from 1 October 1989 or such later date as may be agreed, in the Department of Fine Arts, University of Oxford, which is a leading centre for research in the history of art. The Mastership is a full-time post, involving teaching and research, and is held for a period of three years.

Applicants should submit a curriculum vitae, a list of references, and a portfolio of work. Applications should be sent to the Secretary, University of Oxford, 1 Wellington Square, Oxford OX1 2JD from whom further particulars may be obtained.

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THE AUSTRALIAN  
NATIONAL  
UNIVERSITY  
PROFESSORS OF LAW  
(two positions)  
FACULTY OF LAW

The University invites applications from persons with extensive teaching experience and scholarly achievement for two new Professorships of Law. There is no preference for any particular field of interest, though the successful candidates will be expected to provide academic leadership in their particular fields and to the Faculty as a whole at a challenging time in its development. It is hoped that those appointed would be able to take up duty by February 1990.

Closing date: 19 December 1988 Ref FL 3.11.1

Salary: A\$61,550 p.a. APPOINTMENT: to retiring age 65. APPLICATIONS should be submitted in duplicate to the Registrar, The Australian National University, GPO Box 4, Canberra ACT 2601. Australia, quoting reference number. They should include a curriculum vitae, list of publications and names of at least three referees. The University reserves the right not to make an appointment or to appoint by invitation at any time. Further information is available from the Registrar, or from the Appointments Officer, Association of Commonwealth Universities, 36 Gordon Square, London WC1H 0PF.

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Candidates with any field of interest considered, but preference may be given to those with teaching interests in Legal Method and areas of Public Law, including Planning Law, Housing Law, Compulsory Purchase and Environment Law.

With effect from 1st January, 1989.

Application forms and further details are available from:

The Personnel Officer  
Leicester Polytechnic  
P.O. Box 143  
Leicester LE1 9RE  
Tel (0533) 551551 Ext. 2305

Closing date: 8th December 1988.

SCHOOL OF ORIENTAL  
AND AFRICAN STUDIES  
University of London  
LECTURESHIP IN  
ANTHROPOLOGY  
OF SOUTH ASIA

Applications are invited for a Lectureship in the Anthropology of South Asia, in the Department of Anthropology and Sociology. Applicants should have had some teaching and research experience and have completed a PhD. They would also be expected to have conducted fieldwork in South Asia (preferably India), to have knowledge of a South Asian language and to have published some of the results of their research. Preference will be given to candidates with an interest in Hinduism.

The appointment will start from 1 October 1989 or as soon thereafter as possible. It will be made on the Lecturer A scale (£9,260 rising by 9 increments to £14,500) or the Lecturer B scale (£15,105 rising by 6 increments to £19,310) depending on qualifications and experience, plus London Allowance currently £1,450 p.a. Membership of USS will be encouraged.

Further particulars and application forms are available from The Secretary, School of Oriental and African Studies, Thornham Street, Russell Square, London WC1H 0XG to whom applications should be submitted by 21 January 1989.

This is a re-employment. Previous applicants for this post who wish to be reconsidered should inform the Secretary.

University of Cambridge  
Faculty of History

Applications are invited for a University Assistant Lectureship in the History of Political Thought from the late seventeenth century to the nineteenth century. Preference may be given to candidates whose special expertise lies in continental political theory of the late eighteenth and early nineteenth centuries. The appointment will take effect as soon as possible.

The appointment will be for three years, with the possibility of reappointment for two years. The maximum tenure of a University Assistant Lectureship is five years, but all University Assistant Lectures are considered for promotion to University Lecturer in the course of their tenure.

The scale of stipends for a University Assistant Lecturer, not ordinarily resident in College, is £10,460 a year, by seven increments to £14,500.

Further information may be obtained from the Secretary of the Appointments Committee for the Faculty of History, West Road, Cambridge CB3 9PE, to whom applications (10 copies), including a curriculum vitae and the names of three referees, should be sent. Closing date 14 December 1988.

UNIVERSITY OF  
LONDONVICENTE CANADA  
BLANCH FELLOWSHIPS

One Senior and one Junior Vicente Canada Blanch Fellowship will be available for tenure from October 1989. Applications must be received on or before 1 April 1989 by the Scholarships Office, Room 21A, Senate House, London WC1E 7HU, from which further information should be obtained.

The Fellowships have the object of promoting the study of the civilisation and culture of Spain, and are open to graduates of any university for research in Spain in any recognised academic subject.

The value of the Senior Fellowship is £5,000 and preference is given to postdoctoral candidates. The value of the Junior Fellowship is £3,500, and candidates must be engaged in or prepared to undertake a postgraduate course of study approved by the Committee of Award. Travel costs may be met up to a maximum of £400 in the case of both Senior and Junior Fellowships.

UNIVERSITY  
COLLEGE LONDON  
DEPARTMENT  
OF  
MATHEMATICS

Applications are invited for a Lectureship in MATHEMATICS. Candidates are welcome in any field of pure or applied mathematics, but preference will be given to those whose areas of research interest are in the areas of research interest of the Department.

The successful appointee will be expected to undertake teaching and research. Current research activities in the Department include plant engineering, marine and solid-fluid systems, particle technology, process technology, fluid engineering, computational mathematics, analysis (real, complex and functional), algebra and topology. Initial salary on the scale £9,260 - £13,385 + £1,450 London Allowance.

Apply with CV in Preliminary Form, Department of Mathematics, University of London, Gower Street, London WC1E 6BT, by December 1988.

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WARWICK

Department of Engineering  
PROFESSORSHIP IN  
ENGINEERING AND  
CREATIVITY OF  
DEPARTMENT

Applications are invited for a Professorship in Engineering, which will carry with it the Chairmanship of the Department of Engineering and Creativity. The Professorship may be in any field relevant to the Department's research interests, but preference will be given to those whose research interests are in the areas of research interest of the Department.

The successful appointee will be expected to undertake teaching and research. Current research activities in the Department include plant engineering, marine and solid-fluid systems, particle technology, process technology, fluid engineering, computational mathematics, analysis (real, complex and functional), algebra and topology. Initial salary on the scale £9,260 - £13,385 + £1,450 London Allowance.

Apply with CV in Preliminary Form, Department of Engineering, University of Warwick, Gower Street, London WC1E 6BT, by December 1988.

Equal Opportunities Employer.

University of Cambridge  
Loughborough Lectureship  
LE1 3TU

Applications are invited for a Lectureship in the Department of Engineering, which will carry with it the Chairmanship of the Department of Engineering and Creativity. The Professorship may be in any field relevant to the Department's research interests, but preference will be given to those whose research interests are in the areas of research interest of the Department.

The successful appointee will be expected to undertake teaching and research. Current research activities in the Department include plant engineering, marine and solid-fluid systems, particle technology, process technology, fluid engineering, computational mathematics, analysis (real, complex and functional), algebra and topology. Initial salary on the scale £9,260 - £13,385 + £1,450 London Allowance.

Apply with CV in Preliminary Form, Department of Engineering, University of Warwick, Gower Street, London WC1E 6BT, by December 1988.

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Continued on next page



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## EDUCATIONAL

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UNIVERSITY  
APPOINTMENTSTHE UNIVERSITY  
OF SUSSEXTHE ADMINISTRATION  
EXECUTIVE ASSISTANT

Applications are invited from men and women for an executive officer post in the Administration of the University. The person will work initially in the Chief Executive Office and will assist in the provision of administrative support for the Vice-Chancellor and other senior officers and in staff duties within the Administration. The post will be full-time and for three years in the first instance. Applicants should possess a degree or equivalent qualifications.

Salary will be within the range £9,373 to £11,006 per annum (£9,625 to £11,317 per annum from 1.2.89).

For an application form and further details please send a self-addressed envelope to: Arsenis Hargrave, Personnel Office Sussex House, The University of Sussex, Falmer, Brighton BN1 9RL.

Closing date for receipt of completed applications is 2nd December 1988.

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The Queen's CollegeOFFICIAL FELLOWSHIP AND  
PRAELECTORSHIP IN MODERN  
HISTORY

Applications are invited for an Official Fellowship and Praelectorship in Modern History with effect from 1 October 1989. The Praelectorship will be a full-time post, based in the Department of Modern History, and will involve the holder in the teaching of Modern History to the first and second years of the University. The Praelectorship will be a full-time post, based in the Department of Modern History, and will involve the holder in the teaching of Modern History to the first and second years of the University. The Praelectorship will be a full-time post, based in the Department of Modern History, and will involve the holder in the teaching of Modern History to the first and second years of the University.

Further particulars may be obtained from the College Secretary, The Queen's College, Oxford, OX1 4AW to whom applications (with a letter of recommendation) should be sent not later than 16 January 1989.

UNIVERSITY OF OXFORD  
University Lectureship in  
Biochemistry

Applications are invited for the above post, to be filled from 1 October 1989. Suspend according to age on the scale £9,260 to £20,615, subject to review. The successful candidate will be a member of the Department of Biochemistry and will be considered for a Tutorial Fellowship by Lady Margaret Hall, Oxford.

College appointments may be obtained from Professor G. K. Radd, F.R.S., Department of Biochemistry, South Parks Road, Oxford, OX1 3QU, to whom applications (with two references) should be sent by 10 January 1989.

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## University of London

CHAIR OF  
BIOCHEMISTRY  
TENABLE AT  
QUEEN MARY  
COLLEGE

The Senate invite applications for the above Chair, established under a special academic initiative and tenable in the Faculty of Science at Queen Mary College. Applications are particularly sought from those with research interests in molecular aspects of biology.

Applications (11 copies) should be submitted to the Teaching Section (T), University of London, Senate House, Malet Street, London WC1E 7HU, from whom further particulars should be obtained.

The closing date for receipt of applications is 4 January 1989.

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## University of Cambridge

DIRECTOR OF THE  
FITZWILLIAM MUSEUM

Applications invited for the office of Director and Marley Curator of the Fitzwilliam Museum, which will become vacant on 1 October 1990 on the retirement of Professor Michael Jaffé. The Director is eligible for election to a Professorial Fellowship of a College.

Present pensionable stipend £30,458.

Applications (10 copies), marked 'confidential', should be sent with the names of three referees to the Registrar, from whom further information may be obtained, at the University Registry, The Old Schools, Cambridge, CB2 1TN.

Closing date: 31 January 1989.

UNIVERSITY COLLEGE OF  
SWANSEA

## Lecturer in Clinical Neuropsychology

Applications are invited for the vacancy of Lecturer in the Department of Psychology. The successful candidate will be expected to teach in the Department of Psychology and to be involved in research in the field of clinical neuropsychology. Applications should be sent to the Department of Psychology, University College of Swansea, Swansea, SA2 8PP, to whom applications should be sent not later than 15 January 1989.

The salary will be on one of the following scales:  
Lecturer Grade A: £19,000 - £19,500 together with URB/USDPB  
Lecturer Grade B: £15,000 - £15,500 benefits, if required.

Informal enquiries may be made to Professor G. R. Bannister (0792 54778), but further particulars and application forms G. R. Bannister should be obtained from the Personnel Office, University College of Swansea, Swansea, SA2 8PP, to whom applications should be sent not later than 15 January 1989.

University of Glasgow

GARDNER  
CHAIR OF  
MUSIC

Applications are invited for the Gardner Chair of Music, tenable from 1st October 1989.

The Gardner Professor will be a full-time post, based in the Department of Music, and will involve the holder in the teaching of Music to the first and second years of the University. The Gardner Professor will be a full-time post, based in the Department of Music, and will involve the holder in the teaching of Music to the first and second years of the University.

Further particulars may be obtained from the Academic Personnel Office, University of Glasgow, Glasgow, G12 8QQ, where applications (3 copies), 1 copy in the case of overseas applicants, giving the names and addresses of three referees, should be lodged on or before 12th December 1988.

In reply please quote Ref No. 6374

## UNIVERSITY OF LONDON

SUSAN  
STEBBING  
CHAIR OF  
PHILOSOPHY  
TENABLE AT  
KING'S  
COLLEGE  
LONDON

The Senate invite applications for the above Chair, vacant following the appointment of Christopher Peacocke as Waynflete Professor of Metaphysical Philosophy in the University of Oxford. The Stebbing Professor, who will be the Head of the Philosophy Department at King's College London, will be expected to make a significant contribution to research and teaching, as well as to the leadership of the Philosophy Department and to the development of philosophical studies in the University.

Applications (10 copies) should be submitted to the Teaching Section (T), University of London, Senate House, Malet Street, London WC1E 7HU, from whom further particulars should be obtained.

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DEPOSITION

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d) A scholarship of £300 per annum for a girl of Scottish birth.

e) The Margaret Anderson scholarship of one third of the fees per annum on entrance at 14 or 16 for girls with some close connection with St. Leonards.

The scholarship examinations and interviews will take place on Saturday 4th March, 1989 at St. Leonards School.

Applications should be made in writing to The Headmaster, St. Leonards School, St. Andrews, Fife KY16 9QU by 31st January 1989.

St. Leonards School will be participating at the L.S.L.S. Exhibitions at the Novotel Hotel on 25th, 26th and 27th November. Stand 82.

For Details and Prospectus Please telephone:

The School Secretary - Mrs. B. Hanner

Headmaster: (0418) 3466.

WISPER'S  
HASLEMERE, SURREY

Headmaster: L. H. BELTRAN, B.A.

ENTRANCE & SCHOLARSHIP EXAMINATIONS FOR SEPTEMBER 1989 ENTRY.

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School is set in 26 acres of attractive grounds with excellent educational and recreational facilities.

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The School Secretary - Mrs. B. Hanner

Headmaster: (0418) 3466.

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FOR VENETIAN  
RESEARCH

The trustees of the Gladys Krieble Delmas Foundation of New York announce that up to £10,000 will be made available in 1989 to scholars of Great Britain and the Commonwealth for research in Venice.

The areas of interest envisaged concern both the past (history, art, architecture, music, law, science, literature, language) and the present (politics, conservation, environment) of Venice and the territories once subject to it.

Further particulars may be obtained from the Secretary to the Foundation's Advisory Committee, Professor M. E. Maltby, Department of History, University of Warwick, Coventry, CV4 7AL.

To whom enquiries and applications should be sent by 9 January 1989.

Details may be obtained from:

The Hon. Mrs. M. E. Maltby, Department of History, University of Warwick, Coventry, CV4 7AL.

To whom enquiries and applications should be sent by 9 January 1989.

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Further particulars may be obtained from the Warden's Secretary, Keble College, Oxford, OX1 3PG, to whom applications should be sent to arrive not later than 31 January 1989.

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A small, private school situated in Brighton wishes to enter the EFL field, probably with effect from Summer 1989. A Director of Studies is desired as soon as possible to take full responsibility for planning, marketing and supervision of these courses. Experience and extensive contacts with overseas agents vital. A very competitive employment package will be offered to the successful applicant. Apply in total confidence, including detailed C.V., to Box 802.

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## Walsh's place in history books

By Marcus Williams

Courtney Walsh, the West Indies and Gloucestershire fast bowler, secured a place in cricket history yesterday when he completed a hat-trick against Australia in Brisbane. It was the first hat-trick in Tests for 12 years and only the eighteenth in all.

He follows in a line begun, in the third Test ever played, by one of the most famous bowlers of all time, the "Demon" Australian, Fred Spofforth. The list, which splits almost equally into spinners and quicker bowlers, contains two other West Indians, Wesley Hall and Lance Gibbs, as well as seven Englishmen, six Australians (two of them did it twice), one South African and one New Zealander — Peter Petherick, who shares the distinction with Maurice Alton, of Surrey and England, of achieving a hat-trick on his first Test appearance.

Uniquely among Test hat-tricks, Walsh's is the only one to have been spread across two innings. On Friday he dismissed Dodemaide with the final ball of Australia's first innings and then, coming on as first change in the second

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innings yesterday, he removed Veletta and Wood. The interval of time may have lessened the impact, though not the validity or rarity, of the achievement.

The most remarkable performance in the list, however, came from the Australian leg-spinner, Jimmy Matthews, who took a hat-trick in each innings and on the same day against South Africa at Old Trafford during the Triangular Tournament of 1912. So unexpected and late in the day was the second achieved that one correspondent merely reported... "Matthews repeated his former feat."

Whether that writer deserves sympathy or admiration is open to debate, but sympathy was certainly due to the South African wicketkeeper, Tommy Ward, who both times was the third man out.

Another South African, Geoff Griffin, can claim the most bizarre circumstances in which his hat-trick was performed in 1960. It was the only Test hat-trick by a South African and the only one so far in Tests at Lord's. During the innings Griffin was not batted for throwing 11 times. In the exhibition match which followed England's early victory Griffin was again not batted. He finished the over bowling underarm, but not before the umpire had called no-ball again when Griffin failed to notify him of the change of action.



No stage fright here: Armin Schwarz, of West Germany, powers his Audi out of the water during a special stage of the rally

## Tottenham stir from a long Siberian winter

By Stuart Jones  
Football Correspondent

Sheffield Wednesday... 0  
Tottenham Hotspur... 2

As the big chill sets in, Tottenham Hotspur are thawing out. The promise that lay dormant underneath defensive flaws in the autumn is beginning to emerge at the onset of winter. The manifestation yesterday was the two goals scored by Stewart, his third and fourth in his last four games.

The League Management Committee's priority, however, is to ensure that the television action does not affect attendances at the rest of the Bank Holiday programme. It says that the Arsenal

match cannot start before 7.30 — and apparently Arsenal and their local police will fit in with either arrangement.

The League is being paid \$44 million over four years by the commercial channel, who will screen three games live in the space of seven days over the festive season.

Coverage starts on December 27 with Aston Villa v Queen's Park Rangers or Manchester United v Nottingham Forest and will also include Liverpool v Manchester United on New Year's Day.

increasingly heavy pitch and threatened to claim their first away League victory before they did through Stewart's two contrasting strikes.

The foundation of their victory was laid by Gascoigne, who improvising with every appearance for his new club, and Waddle. The two English internationals, in spite of returning from the shimmering Saudi Arabian heat in midweek, controlled all of Tottenham's ideas as well as the first half itself.

Stewart, who was eventually to show his ebullience in a more acceptable fashion, opened by almost removing Turner's head from his body. For the illegitimate assault he was booked (as was Samways

for dissent) but he was to leave an indelible mark on the wretchedly cold afternoon.

Without either disturbing Turner before the interval, Stewart's colleagues were the tidier of the two formations protected by a sweeper. Sheffield Wednesday, once they threw off their initial caution, did stretch a defence that had previously been vulnerable, but never broke it.

West, momentarily resembling a heron, might have pierced them, for instance, had he chosen to stand on both legs rather than one as Fairclough allowed Reeves to cross. After Hodgson had been permitted to run through two half-hearted tackles on the

other flank, Reeves headed narrowly over the bar.

During Wednesday's most productive period, Tottenham struck. Gascoigne weaved his way through a queue of opponents and noticed Stewart accelerating towards the near post. Although he turned the low cross past Turner, Moran, lingering at the other post, was adjudged to have been in an offside position.

Stewart was to be offered ample compensation. With little more than 10 minutes remaining, he chased Fairclough's long pass through the middle and arrived at the same time as Wednesday's goalkeeper. In the ensuing collision the ball ricocheted off Tottenham's centre forward and, albeit inadvertently, Tottenham were deservedly ahead. Their triumph was assured three minutes later.

Stewart, again illustrating his power, ran on to another through-ball, held off the challenge of Cranston and tucked in his second. The man of the match, he has already partially and publicly repaid some of his £2 million transfer fee, but the contribution of Tottenham's solid security was equally notable.

SHEFFIELD WEDNESDAY: C. Turner; M. Stanford, N. Worthington, I. Cranston, J. Pearson, G. Macdonald, S. Jordan, J. Proctor, C. West, D. Reeves, D. Hodgson (Goal D. Hurst).  
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Referee: R. Millard.

## Kick-off time in limbo

By Stuart Jones  
Football Correspondent

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## Inquiry is likely after player nearly dies

By Paul Newman

The Football Association is likely to demand to know why Bristol Rovers did not have a doctor at Twerton Park yesterday when one of their players nearly died after a collision in the third minute of their FA Cup first-round tie against Fisher Athletic.

Only prompt action by Roy Dolling, the Rovers' physiotherapist, and Gerry Francis, the manager, saved the life of Ian Alexander after he collided with Steve Yates, a colleague. Alexander was knocked unconscious and swallowed a dental plate with two false teeth. He had convulsions and had to be pinned to the ground by Francis while Dolling attempted to remove the plate.

"He couldn't breathe and I knew I only had about four minutes to save him," Dolling said. "I reckon we only cleared his throat with about a minute to spare."

Francis said: "Obviously the club doctor should have been there. I'm sure the referee will mention it in his report to the FA and we will have an inquiry at directors' level. As for the player I was worried that he wrote a note and he should certainly have taken it out before the match."

Alexander recovered consciousness on the pitch and was taken to hospital, but later released. The Rovers' doctor arrived at the ground before half-time. League clubs are required to have a doctor in attendance at all matches.

## Vandals caught in the act

By Clive White

Supporters of Newcastle United, whose chairman, Gordon McKeag, stands for election as Football League president today, were involved in several outbreaks of hooliganism in London on Saturday, one of which was witnessed first hand by Colin Moynihan, the Minister for Sport.

Moynihan found himself on the receiving end of vandalism at The Den, when, as a guest of Millwall Football Club, he was present when a door and two windows of the directors' room were smashed by Newcastle supporters as they left the ground after watching their team lose 4-0 to stay bottom of the first division.

It was the first incident at The Den in three years. No Millwall supporters were involved. "This reinforces my conviction that further measures have to be taken to secure the future of the game," Moynihan said.

Thirteen people were arrested inside the ground — 10 of them Millwall supporters — and seven Newcastle supporters were arrested outside the stadium.

Earlier in the day British Transport Police uncovered an assortment of weapons at King's Cross station after an outbreak of fighting between supporters of Newcastle and Middlesbrough. The latter were in London to watch their team play Arsenal at Highbury.

There was further trouble during the FA Cup tie at Aldershot, when police were attacked by supporters of the London, non-League side, Hayes, who lost 1-0. Police said 36 people were arrested.

## Flying Finns leave McRae in slipstream

By Andrew Longmore

For once, the forecasters got it right. The weathermen had predicted the onset of winter, the rally experts had predicted a duel for the lead between the Finnish rivals, Markku Alen and Juha Kankkunen. Both duly materialized on a spectacular first day of the Lombard RAC rally yesterday.

Only Jimmy McRae did not live up to expectations. Widely tipped to become the first British driver since Roger Clark 12 years ago to win the RAC, the Scotsman was forced to retire after just four stages when his Toyota Celica developed a death rattle. It was not the first set-back of the day for the Toyota team which had already lost Kenneth Eriksson on the very first stage with broken camshaft drive.

After seven of the eight special stages, Kankkunen, in his Toyota Celica, had opened up a slender lead of 27 seconds over Alen's Lancia Integrale, with Mikael Ericsson's Lancia and Bjorn Waldegaard's Toyota in close attendance, and Salomon's Mazda a steady fifth.

Though Kankkunen drove impeccably throughout a difficult day, the real winner was the British winter, whose arrival on the night before the start of the rally reminded veterans of the last time the RAC was held in Harrogate in 1971, when snow caused chaos throughout the event.

Heavy snow fell overnight and it was followed by sleet and more snow. Even the normally undemonstrative Kankkunen said that he had never experienced conditions like it in England before. But the former world champion set the fastest time on six of the first eight stages even

though he was at a disadvantage going first. Alen was not taking any chances on the treacherous mud, which covered most of the 22 miles of special stage. "I go slowly, slowly not like last year," said the Finn, who threw away his chance of victory last year when he rolled his Lancia on the opening day. Alen's only slip was at Trentham, when he spun losing a further 12 seconds to Kankkunen. But he did manage to win the fourth stage of the day at Chumbar Park.

The best British drive came from Malcolm Wilson, who, like Alen, had a rather better opening day than last year when he lost a lot of time in the water splash. After seven stages, Wilson was a fine ninth in his 16-valve Astra, while his team-mate, Derek Bell, on his second rally, had also survived, despite an excursion into the field on the first stage damaged a front spoiler. But Ari Vatanen and Britain's David Llewellyn had difficult days, driving new cars. Vatanen, in his first RAC rally for three years, was uncharacteristically subdued in the new Mitsubishi Galant.

"The car is very heavy and the power-steering is now working properly so every time I go sideways, the car goes off," he said. Conditions were not ideal for Llewellyn's two-wheel drive Sierra, though that did not stop his usual bravado.

RESULTS (after eight stages): 1. J. Kankkunen (Fin), Toyota Celica, 27m 27.4s; 2. M. Alen (Fin), Lancia Delta, 27.34m 27.4s; 3. B. Waldegaard (Swe), Toyota Celica, 27.35m 27.4s; 4. M. Ericsson (Swe), Lancia Delta, 27.35m 27.4s; 5. T. Salonen (Fin), Mazda 323, 27.35m 27.4s; 6. J. Vatanen (Fin), Lancia Delta, 27.35m 27.4s; 7. P. Salonen (Fin), Lancia Delta, 27.35m 27.4s; 8. M. Wilson (GB), Vauxhall Astra, 27.35m 27.4s; 9. S. Salonen (Fin), Vauxhall Astra, 27.35m 27.4s; 10. S. Salonen (Fin), Vauxhall Astra, 27.35m 27.4s.

TOTAL: Tottam (step 7 and 8) Harrogate (step 8 and 9) Special stages 9 to 21.

## Virus contributes to Graf's defeat

From Barry Wood, New York

Pam Shriver will doubtless remember forever the scenes at Madison Square Gardens after Steffi Graf hit a forehand beyond the baseline to slump to only her third defeat of the year.

While the 17,000 crowd rose to their feet as one to yell their salute, Shriver wandered around the court in a daze, hands clasped behind her neck looking for someone — anyone — to intimately share her moment of glory after the first semi-final of the Virginia Slims Championship.

Eventually, she grabbed two ball kids to her, wiped away the tears of emotion, and walked off the court to share her success with her long-time coach, Don Candy and new mentor, Bud Chulz.

There was no-one at the Press conference afterwards willing to stress the point that Graf had not been suffering from an influenza virus then the outcome undoubtedly would have been different. Her last defeat was 46 matches ago. The fearless frau had allowed few glimpses of her

real self, and she looked weak and drained.

To her credit, though, Shriver was not foolish enough to suggest that on the basis of her 6-3, 7-6 victory she was now a better player than Graf. What she did do was keep her fragile emotions under control throughout the match, and not fail on the big occasion as she had done countless times before in her career.

Graf, wrapped in a dark and heavy woollen overcoat against the chill, was the most gracious of losers. "I felt disgusting and not myself, a little shaky," she conceded. "But she was always trying, she played well and had a good steady serve. I had no chance."

She also refused to let her first defeat since April spoil what has been one of the most remarkable 12 months in tennis history. "What I have achieved this year is incredible. Sure, I wanted to have a better ending, but that's alright," she said shrugging off her disappointment.

RESULTS: First round: Saturday, B. Wood (England) vs M. Barnes (Wales), 6-3, 6-2; Thorburn (Can) vs D. Rice (Eng), 6-3, 6-2; Yesterday: J. Parrott (Eng) leads A. Taylor (W), 4-3; J. Virgo (Eng) leads A. Knowles (Eng), 5-2.

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## Chairmen prepare to vote

By Peter Ball

One remaining loose end from the Football League's summer entanglements will be tied up this afternoon when the 92 club chairmen meet in London to elect a new president, either Jack Dunnett, of Notts County, or Gordon McKeag, of Newcastle.

It is hard to avoid the conclusion that the winner will deserve as many congratulations as the loser, for the task facing him will be unenviable.

The game desperately needs strong leadership in the face of serious and mounting problems, yet the running sores of the summer television dispute, which culminated in the dismissal of the previous president, Philip Carter, have not yet healed.

If, as seems likely, whoever wins does so by a tiny majority in an election split along

sectional lines, it will indicate that the bitter divisions remain, and both candidates admitted that their first job will be to try to restore internal harmony. That will not be easy.

Yesterday Dunnett, aged 63, a lawyer, emerged as narrow favourite. McKeag was nominated unanimously by the first division clubs, but that support appears not to have stayed solid. Dunnett subsequently being promised the votes of at least two first division clubs.

Even though it is thought that two or three second division clubs will vote for McKeag, that would still ensure a narrow victory for Dunnett, the former Labour MP who held the post for five years between 1981-86. If so he would become the first

president to regain the position.

It is even possible that the implications of the government White Paper on a compulsory membership scheme will persuade other first division clubs that Dunnett's political experience — he was the archetypal wheeler-dealer, dealing backroom politician of the Wilson and Callaghan years — makes him the ideal person to try to lobby behind the scenes for changes. That would give him a reasonable majority and would also suggest that the first division is ready for peace.

Fine for dissent

John Sillett, the Coventry City manager, said he would fine his captain, Brian Kilcline, and defender, Greg Downs, for being booked for dissent during the goal-less draw at Nottingham Forest on Saturday.

## SPORT IN BRIEF

### Britain ease off

Port Douglas (Reuter) — Australia, already roundly beaten in the inaugural three-day golf test against Britain, salvaged some pride yesterday with victories in four of the six "dead" singles matches.

Britain, captained by Sandy Lyle, finished Saturday's matches with 9½ points to Australia's 2½ — an unassailable lead. But they conceded three of yesterday's singles by wide margins, finishing with 11½ points to Australia's 6½.

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### Endres victory

Thomas Endres beat his West German compatriot, Alexander Koch, by one hit yesterday to win the Eden Cup fencing international in London.



Procter: Rishton bound

### Following on

Mike Procter, the former Gloucestershire and South African all-rounder, has agreed to join the Lancashire League club, Rishton, as their professional next season. The West Indies captain, Viv Richards, filled the role in 1987.

### All change

The first World Cup Alpine skiing events of the season have been changed because of a lack of snow in France. The women's and men's giant slalom events in Val Thorens on November 24 and 25 have been postponed until November 29 and 30, while the super giant slalom to be held in Les Menuires on November 26 and 27 have been moved to the Austrian resort of Schladming.

### Holding on

Britain's champion cyclo-rider, Steve Douce, held on to his lead in the Holdsworth Trophy series yesterday at Leeds despite crashing with four miles to go. Eric Vervaeke, of Belgium, took advantage of Douce's temporary setback and took 40 points for winning the race.

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